



Community Development Financial Institutions Fund

**Community Development
Financial Institutions Program**

**Core and Intermediary Components
2001 Application Form**

U.S. Department of the Treasury

Community Development Financial Institutions Program

Core and Intermediary Components 2001 Application Form

OMB Approval No.1559-0006

Community Development Financial Institutions Fund

Application

OMB Approval No. 1559-0006

CDFI-0006

Paperwork Reduction Act Notice.

This submission requirements package is provided to applicants for awards under the Community Development Financial Institutions Program. Applicants are not required to respond to this collection of information unless it displays a currently valid OMB number. The estimated burden associated with this collection of information is 140 hours when completing the certification materials and 100 hours when not completing the certification materials. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Department of the Treasury, Community Development Financial Institutions Fund, 601 13th Street, N.W., Suite 200 South, Washington, DC 20005.

Catalog of Federal Domestic Assistance Number: 21.020

Community Development Financial Institutions Fund

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Community Development Financial Institutions Fund

Introduction

CDFI FUND MISSION

The mission of the CDFI Fund (the Fund) is to promote access to capital and local economic growth by directly investing in and supporting Community Development Financial Institutions (CDFIs) and expanding financial service organizations' lending, investment and services within underserved markets. CDFIs are financial institutions that specialize in serving underserved communities and the people who live there. CDFIs include community development banks, credit unions, loan funds, microenterprise loan funds, venture capital funds and multi-bank community development corporations.

CDFI PROGRAM AWARDS

The CDFI Program seeks to promote the development of a national network of community-based financial institutions that are dedicated to community development. The Fund certifies organizations as CDFIs and offers the following funding programs to support their development and growth:

CDFI Core Component. CDFIs and institutions proposing to become CDFIs may apply for financial and/or technical assistance in support of an identified business plan. Funds may be used for capitalization, operational expenses, or technical assistance needs.

CDFI Intermediary Component. *CDFI Intermediaries*¹ (institutions that focus primarily on the financing of other CDFIs) or institutions proposing to become *CDFI Intermediaries* may apply for financial and/or technical assistance in support of an identified business plan. Funds may be used for capitalization, operational expenses, or technical assistance needs.

CDFI Technical Assistance Component/SECAP. The Fund anticipates promulgating a Notice of Funds Availability in 2001 implementing a new Small and Emerging CDFI Assistance Program (SECAP) designed

to provide technical assistance and limited amounts of financial assistance to small and emerging CDFIs. The Fund encourages such institutions to consider applying through this targeted program.

APPLYING FOR A CDFI CORE OR INTERMEDIARY COMPONENT AWARD²

Eligibility: All applicants must be legally established at the time of application submission. All certified CDFIs are eligible to apply for a Core Award and all certified *CDFI Intermediaries* are eligible to apply for an Intermediary Award. Organizations that have not yet been certified as CDFIs, and organizations whose current certifications are due to expire within nine months after the application due date, must either: a) submit an application for certification/recertification in advance of this funding application; or b) apply for certification/recertification through the Certification Materials portion (Part II-C) of this application. In the case of applicants applying for certification/recertification as part of this application, the Fund will take one of three courses of action:

- 1) certify the applicant as a CDFI; this action will be taken only if an applicant, at the time the Fund reviews its application materials, satisfies each of the six certification criteria outlined in the Certification Materials portion of the application;
- 2) certify that the applicant is "eligible for funding;" an organization that does not meet each of the certification criteria at the time that the Fund reviews its application materials may still be eligible for an award, provided that its certification materials demonstrate that it is likely to satisfy all six certification criteria within 24 months from December 31 of the calendar year in which the applicable application deadline falls (12 months if the applicant is applying for an Intermediary Award); the Fund will not

¹ Terms in *Capitalized Italics* are defined in the Glossary which is included in the Appendix and is available on the Fund's website: www.treas.gov/cdfi.

² The contents of this application are consistent with applicable CDFI Fund regulations, found at 12 CFR Parts 1805 and 1815, specifically 12 CFR § 1805.601.

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disburse any portion of a Core or Intermediary financial or technical assistance award until the organization is certified; or

- 3) make a determination that the applicant may neither be certified nor deemed “eligible for funding;” in this circumstance, the application cannot be considered for an award and the applicant will be notified of this determination.

Funding Requests: Applicants may request awards from the Fund in the form of grants, loans, *Equity Investments* (including, in the case of *Insured Credit Unions*, *Secondary Capital* accounts), shares or deposits. An applicant may request an award amount of any size appropriate to its organizational capacity and proposed business plan. An applicant may apply to the Fund for assistance under multiple programs in the same year and in consecutive years, but the Fund will not approve more than \$5 million of aggregated assistance (Core funding, Intermediary funding and Technical Assistance funding) to an applicant and its *Affiliates* over the course of a three-year period.

Application Contents: The central element of the CDFI Core and Intermediary Award applications is the *Comprehensive Business Plan*. The *Comprehensive Business Plan* outlines the mission, goals and current capacity of the applicant, and its strategy over the next five years. Applicants must supply this information in accordance with instructions provided in the application.

Application Review Process: The Fund’s two-phase substantive review process is described in the applicable Notice of Funds Availability (NOFA) that accompanies this funding application. The Fund recommends that applicants read the applicable NOFA before completing their applications for assistance.

Applicants should be aware that, if their applications are recommended for phase two substantive review, they will be required to submit the following information to the Fund within two weeks after receiving notification from the Fund that their application will be considered under phase two review:

- 1) Documentation of *Matching Funds*:

For *In-Hand Matching Funds*, provide copies of checks (or similar documents) to verify that the funds have been received. In addition, for *Matching Funds* that are in the form of grants, provide copies of transmittal letters and grant agreements; for *Secondary Capital*,

provide copies of the *Secondary Capital* account contract agreement and the disclosure and acknowledgment statement; for loans, provide copies of promissory notes and loan agreements; for *Equity Investments*, provide copies of stock certificates, subscription agreements and private placement memoranda; and for deposits or credit union shares, provide copies of certificates of deposits or share certificates.

For *Committed Matching Funds*, provide copies of the commitment document(s). The commitment must be in writing and unconditional, unless the condition is receipt of funds from the Fund, or some other condition(s) deemed acceptable by the Fund. Also, the written commitment shall specify, at a minimum, the level of funding that the funder will provide the applicant, the date by which the funds will be disbursed to the applicant, and any terms or conditions thereto (including, in the case of a loan, the interest rate and maturity date).

For *Matching Funds* that have not yet been committed in writing, provide any available written documentation of the potential funder(s)’ intent to provide funding to the applicant. Such documentation will be one of the factors used by the Fund to determine the applicant’s likelihood of raising the required match.

For all *Matching Funds*, the applicant will be asked to identify the extent to which, and for what purpose, *Matching Funds* have been used to date.

NOTE: The Fund will not disburse financial assistance until the match is *In-Hand* and the awardee has provided the necessary documentation for *In-Hand Matching Funds* described above.

- 2) Three third-party references that the Fund may contact for supporting or clarifying information. Of the three references, one should be a funder and another should be a local community development organization or partner. The third may be either of these, a financial institution, a customer, or other party.
- 3) Other materials as needed by the Fund to clarify or confirm information submitted in the application.

The Fund anticipates notifying most applicants of the Fund’s final funding decisions within nine months of the application due date.

Awardee *Assistance Agreements* and Reporting Requirements

Applicants that are selected to receive an award must enter into an *Assistance Agreement* with the Fund prior to receiving any portion of the award. A key element of the *Assistance Agreement* is the performance goals. In developing performance goals, Fund staff and each applicant will rely on the applicant's historical performance and the applicant's annual projections submitted in two charts in the *Comprehensive Business Plan*: the Activity Levels Chart, and the Impact Performance Chart.

Applicants selected for funding will be required to submit the following reports to the Fund:

Annually:

- a narrative description of the awardee's activities in support of its *Comprehensive Business Plan*;
- information describing the manner in which Fund assistance and any corresponding *Matching Funds* were used;

- a certification that the awardee continues to meet the awardee eligibility requirements and other *Assistance Agreement* requirements;
- a qualitative and quantitative report on the awardee's progress in meeting its performance goals and compliance with *Assistance Agreement* requirements;
- a survey report on the awardee's *Target Market*, volume of financing and *Development Services* activities, community development impact, portfolio quality, financial condition, and leveraging; and
- fiscal year end financial statements and status of financial soundness covenants.

Semi-Annually (twice a year):

- Internal *Financial Statements* and status of financial soundness covenants.

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Community Development Financial Institutions Fund Application Instructions

INSTRUCTIONS

1. Read the applicable Notice of Funds Availability (NOFA) that accompanies this application for assistance.
2. Consult the Glossary of Terms included in the Appendix when completing the application. All terms and phrases that are in *Capitalized Italics* in the application can be found in the Glossary.
3. Complete the application in its entirety. Failure to submit complete application materials may result in the Fund's rejection of the application. Follow the instructions provided under each Part of the application.
4. Optional: Applicants may find it helpful to prepare the charts in Parts II and III of the application in Excel spreadsheet files instead of typing the information into the printed version. Excel files may be obtained on the Fund's web site: www.treas.gov/cdfi.
5. For information on completing the *Comprehensive Business Plan*, please refer to the instructions at the top of page 35.
6. Submit one original and three copies of this application (one original and four copies if your organization is seeking certification or recertification as part of this application) to the address below. Each copy should be placed in a three-ring binder, without staples or other forms of binding. The original should not be placed in a binder and should not include tabs. If possible, use tabs or colored paper to separate Part I, Part II, Part III, and the appendices of the application copies. If the applicant is attaching supplemental information to clarify or expand upon the contents of the application, the attachments should be referenced in the relevant portion of the application.

SUBMITTING YOUR APPLICATION

Send to:

Awards Manager
Community Development Financial Institutions Fund
U.S. Department of the Treasury
601 13th Street, N.W., Suite 200 South
Washington, D.C. 20005

Applications faxed or sent via e-mail will not be accepted. Applications must be received by the Fund prior to the application deadline specified in the applicable funding NOFA.

ADDITIONAL QUESTIONS AND INFORMATION SOURCES

If you have any questions about this application, you may contact the Fund by telephone at (202) 622-8662, by e-mail at cdfihelp@cdfi.treas.gov, or by facsimile to (202) 622-7754. Additional information on the Fund and its programs, including copies of the CDFI Program regulations, funding applications and other materials, are available on the Fund's web site: www.treas.gov/cdfi.

The Fund also conducts a number of information sessions in selected cities across the country each year prior to the due date for each of the funding rounds. These sessions include information on CDFI certification requirements. A schedule of these sessions is included in the applicable NOFA and is posted on the Fund's web site.

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Application Checklist

The following items must be included or the application will be considered incomplete.

- ☐ Part I. Applicant Information
- ☐ Part II. Certification Materials (if applicable)
- ☐ Part III. *Comprehensive Business Plan*
 - ☐ Table of Contents
 - ☐ Executive Summary
 - ☐ Community Development Track Record
 - ☐ Activities Level Chart (three year historical data)
 - ☐ Impact and Institutional Performance Chart (three year historical data)
 - ☐ Operational Capacity and Risk Mitigation Strategies
 - ☐ Financial Track Record and Strength
 - ☐ *Financial Statements*
 - ☐ Loan Portfolio Quality Chart*
 - ☐ Financial Data Input Chart*
 - ☐ Key Financial Trends and Ratios Chart*
 - ☐ Capacity, Skills and Experience of the Management Team
 - ☐ Market Analysis
 - ☐ Program Design and Implementation Plan
 - ☐ Financial Projections and Resources
 - ☐ Financial Projections
 - ☐ *Matching Funds* Summary Chart (unless applying for technical assistance only)
 - ☐ Community Development Impact
 - ☐ Activities Level Chart (five year projections)
 - ☐ Impact and Institutional Performance Chart (five year projections)
 - ☐ Schedule
 - ☐ Effective Use of CDFI Fund Resources

* Instead of this chart, *Insured Credit Unions* may submit their Financial Performance Ratios and *Insured Depository Institutions* may submit their Uniform Bank Performance Reports for the same three years as the Financial Statements.

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Part I. Applicant Information

Application Type (choose one): ☐ Core Component ☐ Intermediary Component

Request Total:

Total amount of financial and technical assistance requested with this application: \$ _____

Certification Status¹ (choose only one of the following four options):

- | | |
|--|---|
| <p>1. Currently certified and not required to submit recertification application <input type="checkbox"/>
 If available, certification ID number _____</p> <p>2. Previously applied for certification and certification decision is pending <input type="checkbox"/></p> <p>3. Applying for certification with this application <input type="checkbox"/></p> <p>4. Applying for recertification with this application <input type="checkbox"/>
 If available, certification ID number: _____
 If available, certification expiration date: _____</p> | <p>If you checked #1, check <u>one</u> box below:</p> <p><input type="checkbox"/> I certify that no material changes have occurred in my organization since the date of its certification which may affect its status as a certified CDFI; and that my organization's current certification will not expire within nine months after the due date for this funding application.</p> <p><input type="checkbox"/> I certify that the attached items constitute all of the material changes that have occurred in my organization since the date of its certification which may affect its status as a certified CDFI. <i>Please attach narrative.</i></p> |
|--|---|

Applicant Contact Information

Applicant Organization Name:

Mailing Address (Provide mailing address and physical address for overnight deliveries (if different). Provide nine-digit zip code where available):

Authorized Representative Name and Title, and address if different from applicant:

Telephone number
 Fax number
 E-mail address

Contact Person Name and Title, and address if different from applicant:

Telephone number
 Fax number
 E-mail address

Employer Identification Number:

Dunn & Bradstreet Number (if available):

Community Partner Name (if applicable):

Estimate how long this application took to complete: _____ Hours

To the best of my knowledge and belief, all information in this application is true and correct. The application has been duly authorized by the governing body of the applicant, and the applicant certifies, attests to, and will comply with all Assurances and Certifications included with this application if the assistance is awarded.

Authorized Representative Signature:

Date:

Community Partner Signature (if applicable):

Date:

¹ Certified CDFIs must submit an application for recertification if their certification has expired or will expire within nine months after the deadline of this funding application.

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Part I. Applicant Information

Applicant Organizational Characteristics

List all of the states currently served by the applicant:

Target Market (check all that apply): ☐ Urban ☐ Suburban ☐ Rural

Type of Entity (Check one):

- ☐ For-profit
☐ Non-profit
☐ Other (specify):

Non Profit Tax Exempt Status (if applicable):

- ☐ 501(c)(3) ☐ 501(c)(4)
☐ Other (specify):

NOTE: Applicants with a 501(c)(4) designation must complete the "501(c)(4) Questionnaire" at the end of Part I. Applicant Information. Organizations with a 501 (c) (4) designation that engage in lobbying activities on or after January 1, 1996, are not eligible to receive an award from the Fund.

Type of Financial Institution (check one):

- ☐ Thrift, Bank or Bank Holding Company ☐ *Multi-Bank CDC*
☐ Credit Union ☐ *CDFI Intermediary*
☐ *Venture Capital Fund* ☐ Other (specify):
☐ Loan Fund

Financing Activities (check all that apply):

- ☐ Microenterprise ☐ Consumer Loans
☐ Business ☐ Consumer Checking/Savings Accounts
☐ Housing ☐ Other (specify):
☐ Facilities

Predominant Financing Activity: If more than one financing activity is checked above, indicate which one is the activity most likely to be supported by the award requested in this funding application:

Is the applicant duly organized and validly existing under the laws of the jurisdiction in which it was incorporated or otherwise established?

- ☐ Yes
☐ No (if no, the applicant is not eligible to apply for funding or CDFI certification)

Applicant's Date of Incorporation (month/day/year):

Date the applicant began to incur operating expenses (month/day/year):

NOTE: Applicants that began to incur operating expenses within two years prior to the date of the applicable NOFA are considered *Start-Up Organizations*.

Total Assets of applicant at the time of submission of this application: \$

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Part I. Applicant Information

Applicant Organizational Characteristics (continued)

CDFI Fund Award Status (attach additional sheets of paper if needed):

☐ Applicant and *Affiliates* have not previously received financial or technical assistance from CDFI Fund.

☐ Applicant and/or *Affiliates* have previously received financial or technical assistance from CDFI Fund:

Name of recipient:

CDFI Award No:

Total award amount:

Name of recipient:

CDFI Award No:

Total award amount:

Name of recipient:

CDFI Award No:

Total award amount:

Is the applicant currently/has the applicant ever:

Been delinquent on amounts due to the IRS?

☐ No

☐ Yes.

Been delinquent on any debts owed to Federal, State, or local governments?

☐ No

☐ Yes.

Filed for bankruptcy?

☐ No

☐ Yes.

If the answer to any of the above questions is yes, attach an explanation at the end of this Part I. Applicant Information.

Affiliate Information Table Applicants with *Affiliates* must complete this table. Attach additional sheets of paper if needed.

Affiliate Name	Certified CDFI (yes/no)	Total Assets (as of last completed fiscal year)
		\$
		\$
		\$
		\$
		\$
		\$

Forms and Assurances

Complete and attach the following items, which are included at the end of this section:

1. Environmental Review Form
2. Assurances and Certifications Form
3. 501(c)(4) Questionnaire (required of those applicants that have a 501 (c)(4) designation from the Internal Revenue Service)

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Part I. Applicant Information

Award Request

Financial Assistance

Grant	\$ _____
Loan (including equity equivalents)	\$ _____
Term of Loan	_____
Interest rate	_____
Equity (For-Profits only)	\$ _____
Deposit/Credit Union Shares	\$ _____
Term	_____
Interest rate	_____
Secondary Capital (Insured Credit Unions only)	\$ _____
Term	_____
Interest rate	_____

Total Financial Assistance	\$ _____
-----------------------------------	-----------------

Technical Assistance¹

Training Services	\$ _____
Consulting Services	\$ _____
Technology	\$ _____
Other	\$ _____

Total Technical Assistance	\$ _____
-----------------------------------	-----------------

Total Financial and Technical Assistance	\$ _____
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¹ If requesting technical assistance, on a separate sheet(s) attached to this Part I. Applicant Information, describe the types of technical assistance to be paid for by the Fund, who will provide the technical assistance, when the technical assistance will be acquired, an estimate of the cost to obtain such technical assistance, and a narrative explanation of how the technical assistance will enhance the applicant's community development impact.

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Part I. Environmental Review Form

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Part I. Assurances and Certifications

A. OMB Standard Form 424B: Assurances — Non-Construction Programs

Note: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency.

As the duly authorized representative of the Applicant I certify that the Applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States, and if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work (activities in application) within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specifies in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 CFR 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply with the provisions of the Hatch Act (5 U.S.C. 1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. 276a to 276a-7), the Copeland Act (40 U.S.C. 276c and 18 U.S.C. 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), regarding labor standards for federally assisted construction subagreements.

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Part I. Assurances and Certifications

10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.); (f) conformity of Federal actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clear Air Act of 1955, as amended (42 U.S.C. 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. 2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq.) which prohibits the use of lead based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act of 1984.
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations and policies governing this program.

B. Additional Certifications

In addition to the assurances and certifications provided by the Applicant pursuant to OMB Standard Form 424B, the Applicant hereby assures and certifies that:

1. It is duly organized and validly existing under the laws of the jurisdiction in which it was incorporated or otherwise established, and is (or within 30 days will be) authorized to do business in any jurisdiction in which it proposes to undertake activities specified in this application;
2. Its Board of Directors (or similar governing body) has by proper resolution or similar action authorized the filing of this application, including all understandings and assurances contained herein, and directed and authorized the person identified as the authorized representative of the Applicant to act in connection with this application and to provide such additional information as may be required;
3. It will comply with all applicable requirements of the Community Development Banking and Financial Institutions Act of 1994 (the Act) [12 U.S.C. 4701 et seq.], regulations implementing the Act and all other applicable Department of the Treasury regulations and implementing procedures (and any regulations or procedures which are later promulgated to supplement or replace them);
4. It will comply, as applicable and appropriate, with

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Part I. Assurances and Certifications

the requirements of OMB Circulars (e.g., A-110 and A-133) and any regulations and circulars which are later promulgated to supplement or replace them, including standards for fund control and accountability;

5. It has not knowingly and willfully made or used a document or writing containing any false, fictitious or fraudulent statement or entry as part of this application or any related document, correspondence or communication. (The Applicant and its authorized representative should be aware that, under 18 U.S.C. 1001, whoever knowingly and willfully makes or uses such document or writing shall be fined or imprisoned for not more than five years, or both); and
6. The information in this application, and in these assurances and certifications in support of the application, is true and correct to the best of the Applicant's knowledge and belief and the filing of this application has been duly authorized.

determines to enter into this transaction. If it is later determined that the Applicant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Fund may terminate this transaction for cause or default.

4. The Applicant shall provide immediate written notice to the Fund if at any time the Applicant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transactions," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal", and "voluntarily excluded," as used in this clause (certification), have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the Fund for assistance in obtaining a copy of those regulations (31 CFR part 19).

C. Certification Regarding Debarment, Suspension, and Other Responsibility Matters — Primary Covered Transactions

Instructions for Certification

1. By signing and submitting this application, the prospective primary participant (the Applicant) is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in the denial of participation in this covered transaction. The prospective Applicant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the Fund's determination whether to enter into this transaction (approval and funding of the application). However, failure of the Applicant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. This certification is a material representation of fact upon which reliance is placed when the Fund
6. The Applicant agrees by submitting this application that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the Fund.
7. The Applicant further agrees by submitting this application that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," to be provided by the Fund, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions (see 31 CFR part 19, Appendix B).
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines

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Part I. Assurances and Certifications

the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the Fund may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters — Primary Covered Transactions

1. The prospective primary participant (the Applicant) certifies to the best of its knowledge and belief, that it and its principals:
 - (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State or local) terminated for cause or default.

2. Where the applicant is unable to certify to any of the statements in this certification, such Applicant shall attach an explanation to this proposal.

D. Certification Regarding Drug-Free Workplace Requirements

1. The Applicant certifies that it will provide a drug-free workplace by:
 - (a) publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employee for violations of such prohibition;
 - (b) establishing a drug-free awareness program to inform employees about:
 - (i) the dangers of drug abuse in the workplace;
 - (ii) the Applicant's policy of maintaining a drug-free workplace;
 - (iii) any available drug counseling, rehabilitation, and employee assistance program; and
 - (iv) the penalties that may be imposed upon employees for drug abuse violations occurring in the workplace
 - (c) making it a requirement that each employee to be engaged in the performance of the award be given a copy of the statement required by subparagraph (a);
 - (d) notifying the employee in the statement required by subparagraph (a) that, as a condition of employment in such grant, the employee will:
 - (i) abide by the terms of the statement; and
 - (ii) notify the employer of any criminal drug use statute conviction for a violation occurring in the workplace no later than five calendar days after such conviction;
 - (e) notifying the granting agency in writing, within ten calendar days after receiving notice of a conviction

Community Development Financial Institutions Fund

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under subparagraph (d) (ii) from an employee or otherwise receiving actual notice of such conviction;

(f) taking one of the following actions, within 30 days of receiving notice under subparagraph (d)(ii), with respect to any employee who is so convicted:

- (i) taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
- (ii) requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and

(g) making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs (a), (b), (c), (d), (e), and (f).

2. The Applicant may insert in the space provided below the site(s) for the performance of work (activities carried out by the Applicant) to be done in connection with the award:

Place of Performance (Street Address, City, County, State and Zip Code)

E. Certification Regarding Lobbying

1. The Applicant certifies, to the best of its knowledge and belief, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this application, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying, " in accordance with its instructions; and

(c) The Applicant shall require that the language of this certification be included in the award documents for all subawards of all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

2. This certification is a material representation of fact upon which reliance is placed when this transaction is made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Community Development Financial Institutions Fund

Part I. 501(c)(4) Questionnaire

I. Instructions

(To be completed by 501 (c)(4) organizations only)

This questionnaire is necessary for the Community Development Financial Institutions Fund (Fund) to determine whether an applicant that has a 501(c)(4) designation from the Internal Revenue Service is eligible to receive an award from the Fund (see 12 C.F.R. § 1805.200(a)(3)).

Please read all definitions before responding to the questions and continue to refer to such definitions in responding to this questionnaire. If the answer to any question is yes, please describe in detail the facts and circumstances, the subject matter(s), the date(s), the names and titles of all individuals and their employers and their organizations on a separate sheet(s) of paper. The Fund reserves the right to seek follow-up responses from an applicant.

Failure to complete this questionnaire and, if applicable, respond timely to follow-up questions, will delay the Fund's processing of the Application, and may result in the disqualification of the Application from further consideration. After the submission of responses to this questionnaire, the Applicant is under a continuing obligation to: 1) supplement its responses upon a change in circumstances; and 2) revise or modify its responses within 10 business days of having actual or constructive knowledge that the responses previously submitted and certified are no longer complete, accurate, or true. You may call the Fund's legal division (202-633-8662) if you have any questions about this form.

II. Scope

The scope of this questionnaire is limited to activities on or after January 1, 1996.

III. Questions

- 1) Has any officer, employee, director, partner, proprietor, or Board member contacted¹ a "covered executive branch official"² with regard to the formulation, modification, or adoption of Federal legislation (including legislative proposals)?
Yes _____ No _____
- 2) Has any officer, employee, director, partner, proprietor, or Board member contacted a "covered executive branch official" with regard to the formulation, modification, or adoption of a Federal rule, regulation, Executive Order, or any other program, policy, or position of the United States Government?
Yes _____ No _____
- 3) Has any officer, employee, director, partner, proprietor, or Board member contacted a "covered executive branch official" with regard to the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license)?
Yes _____ No _____

¹ "Contacted" means any oral or written communication including an electronic communication.

² "Covered executive branch official" means--

- (1) the President;
- (2) the Vice President;
- (3) any officer or employee, or any other individual functioning in the capacity of such an officer or employee, in the Executive Office of the President;
- (4) any officer or employee serving in an Executive Level I-V position, a "Schedule C" position, or any official in a Senior Executive Service position;
- (5) any member of the uniformed services serving at grade 0-7 or above; or
- (6) any officer or employee serving in a position of a confidential, policy-determining, policy-making, or policy-advocating character.

Community Development Financial Institutions Fund

Part I. 501(c)(4) Questionnaire

- 4) Has any officer, employee, director, partner, proprietor, or Board member contacted a “covered executive branch official” with regard to the nomination or confirmation of a person for a position subject to confirmation by the United States Senate?
Yes_____ No_____ (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license)?
Yes_____ No_____
- 5) Has any officer, employee, director, partner, proprietor, or Board member engaged in efforts supporting and coordinating the contact by others of a “covered executive branch official,” including preparation and planning activities, research and other background work that was intended, at the time performed, for a purpose described in Questions 1 - 4?
Yes_____ No_____
- 6) Has any officer, employee, director, partner, proprietor, or Board member contacted a “covered legislative branch official”¹ with regard to the formulation, modification, or adoption of Federal legislation (including legislative proposals)?
Yes_____ No_____
- 7) Has any officer, employee, director, partner, proprietor, or Board member contacted a “covered legislative branch official” with regard to the formulation, modification, or adoption of a Federal rule, regulation, Executive Order, or any other program, policy, or position of the United States Government?
Yes_____ No_____
- 8) Has any officer, employee, director, partner, proprietor, or Board member contacted a “covered legislative branch official” with regard to the administration or execution of a Federal program or policy
- 9) Has any officer, employee, director, partner, proprietor, or Board member contacted a “covered legislative branch official” with regard to the nomination or confirmation of a person for a position subject to confirmation by the United States Senate?
Yes_____ No_____
- 10) Has any officer, employee, director, partner, proprietor, or Board member engaged in efforts supporting and coordinating the contact by others of a “covered legislative branch official,” including preparation and planning activities, research and other background work that was intended, at the time performed, for a purpose described in Questions 6-9?
Yes_____ No_____

IV. Signature

By signing this application, the Applicant certifies that the Applicant’s answers to the Questionnaire 501(c)(4) and the written explanations attached thereto are true, accurate, and complete to the best of my information, knowledge, and belief, and if) since January 1, 1996, the Applicant has not engaged in Lobbying Activities as defined in Section 3(7) of the Lobbying Disclosure Act of 1995, P.L. 104-65, as amended.

¹ “Covered legislative branch official” means--

- (1) a Member of Congress;
- (2) an elected officer of either House of Congress; and
- (3) any employee of the House or Senate, including employees of Members, committees, leadership, and working groups or caucuses organized to provide legislative services or other assistance to Members of Congress.

Community Development Financial Institutions Fund

Part II-A. Certification Materials Checklist

- ☐ A. **Certification Materials Checklist**
- ☐ B. **Industry Data** (required only of those applicants applying for certification or recertification)
- ☐ C. **Certification Materials** (required only of those applicants applying for certification or recertification)¹

Primary Mission

- ☐ Articles of incorporation (or similar organizing documents) and current bylaws
- ☐ Official document(s) referencing mission statement OR specified narrative information
- ☐ If applicable, information on shares of voting stock held by *Insured Depository Institution* or *Depository Institution Holding Company* investors.
- ☐ If applicable, narrative information describing actions to be taken to meet the Primary Mission requirements.

Financing Entity

If your organization is an *Insured Depository Institution*, *Insured Credit Union* or *Depository Institution Holding Company*:

- ☐ Organizing documents and/or certificate of insurance

All other organizations:

- ☐ Asset Information Table with specified narrative information
- ☐ Staff Allocation Table with specified narrative information
- ☐ Year-end financial statements
- ☐ If applicable, narrative information describing actions to be taken to meet the Financing Entity requirements.

Target Market

If your organization has identified an *Investment Area* as its *Target Market*:

- ☐ Investment Area worksheet
- ☐ Investment Area map
- ☐ Narrative description of unmet needs
- ☐ Applicant Activity Table with specified narrative information

If your organization has identified a *Low-Income Targeted Population* as its *Target Market*:

- ☐ Applicant Activity Table with specified narrative information

If your organization has identified an *Other Targeted Population* as its *Target Market*:

- ☐ Applicant Activity Table with specified narrative information

- ☐ If applicable, narrative information describing actions to be taken to meet the *Target Market* requirements.

Development Services

- ☐ Specified narrative information on content of *Development Services*
- ☐ If applicable, narrative information describing actions to be taken to meet the *Development Services* requirements

Accountability

If your organization is demonstrating accountability through the governing board:

- ☐ A list of the governing board members, indicating which members represent the *Target Market*

If your organization is demonstrating accountability through other means:

- ☐ Specified narrative information
- ☐ If applicable, narrative information describing actions to be taken to meet the Accountability requirements

Non-Government Entity

- ☐ If applicable, specified narrative information
- ☐ If applicable, narrative information describing actions to be taken to meet the Non-Government Entity requirements.

¹ Certified CDFIs must submit an application for recertification if their current certification has expired or will expire within nine months after the deadline of this application.

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Community Development Financial Institutions Fund

Part II-B. Industry Data

The following information is required only of those applicants applying for certification or recertification as part of this funding application. The information will not be used in the review of your organization's eligibility for CDFI certification, or in the competitive review of your organization's application for a CDFI Core or Intermediary Award. Rather, the data will be entered into the Fund's database and used primarily with data from other CDFIs to provide a source of information about the CDFI field. Please refer to the Glossary for definitions of capitalized, italicized terms. In completing this survey, no space should be left blank. If you are estimating, put an "E" by your response. If a question is not applicable to your organization, place "NA" in the space provided. Put a "0" in spaces that are applicable but had no activity. Put "Don't know" if you do not have an answer or cannot provide a reasonable estimate. You may call the Fund's Policy & Research division (202) 622-8662 if you have any questions about this form.

1. Year the applicant organization started its financing activities: _____
2. End of most recently completed fiscal year (month/year): _____
3. Staff (# of *Full-Time Equivalents*), including volunteers who are an integral part of your staffing structure as of the end of the most recently completed fiscal year: _____
4. *Net Assets* (non-profits), *Net Worth* (for-profits) or *Net Capital* (credit unions) as of the end of the most recently completed fiscal year: \$ _____
5. *Total Expenses* during the most recently completed fiscal year: \$ _____
6. *Total Earned Income* during the most recently completed fiscal year: \$ _____
7. *Total Financing Capital*. In the case of *CDFI Intermediaries*, also include capital available for deposits in *Insured Credit Unions* or *Insured Depository Institutions* that are CDFIs or emerging CDFIs as of the end of the most recently completed fiscal year: \$ _____
8. Loans and *Equity Investments*¹ outstanding as of the end of the most recently completed fiscal year:
of loans: _____ \$ amount of loans: _____
of *Equity Investments*: _____ \$ amount of *Equity Investments*: _____
9. *Loans Closed* and *Equity Investments Closed* during the most recently completed fiscal year:
of loans: _____ \$ amount of loans: _____
of *Equity Investments*: _____ \$ amount of *Equity Investments*: _____
10. *Past Due Loans* as of the end of the most recently completed fiscal year:
All CDFIs Except Credit Unions: 30-89 days past due: \$ _____
90 or more days past due: \$ _____
Credit Unions ONLY: 2 to 6 months past due: \$ _____
6 or more months past due: \$ _____
11. *Net Write-Offs* or *Net Charge-Offs* during the most recently completed fiscal year:
of loans: _____ \$ amount of loans: _____

¹ For questions 8-15, count only those loans and *Equity Investments* for which the applicant was a lender or investor in the financing.

Community Development Financial Institutions Fund

Part II-B. Industry Data

12. Jobs created/maintained in businesses/microenterprises¹:
- a. Total number of *Full Time Equivalent (FTE)* positions at the businesses/microenterprises financed by the applicant during the applicant's previous fiscal year (the fiscal year prior to the most recently completed fiscal year), at the time the loan/investment *Closed*.² _____
 - b. Total number of *FTE* positions at these same businesses/microenterprises at the end of the applicant's most recently completed fiscal year or, if available, any number reported subsequently. _____
13. Number of single-family and multi-family housing units projected to be developed or rehabilitated in deals that were financed (entirely or in part) by the applicant during the applicant's most recently completed fiscal year: _____
14. Number of mortgage loans *Closed* by the applicant with first-time homebuyers³ during the applicant's most recently completed fiscal year: _____
15. Number of community facilities/community service organizations slots projected to be created in deals that were financed (entirely or in part) by the applicant in the applicant's most recently completed fiscal year.⁴ _____
16. *Insured Credit Unions* or *Insured Depository Institutions* only: Number of accounts (share or share draft accounts/savings or checking accounts) opened by the applicant for first-time account holders during the applicant's most recently completed fiscal year.⁵ _____

¹ In reporting on the *Full Time Equivalents (FTEs)* at businesses and microenterprises financed by the applicant, count the number of *FTEs* only once, regardless of how many times the business or microenterprise received financing from the applicant during the fiscal year. Do not include *FTEs* at housing, community facility or community service organizations financed by the applicant.

² Note that this refers to the applicant's previous fiscal year, not the most recently completed fiscal year. For example, if an applicant's most recently completed fiscal year is 1999, the previous fiscal year would be 1998.

³ A first-time homebuyer is a borrower who has not owned a home in the last three years.

⁴ Community facilities/community service organizations include human and social service agencies, advocacy organizations, cultural/religious organizations, health care providers and child care/education providers, regardless of tax status. In reporting the number of slots created or projected to be created, only count the number of new slots created in deals that were financed by the applicant. This may involve the expansion and/or rehabilitation of an existing facility or the development of a new facility/service organization. For childcare facilities/service organizations, count the number of new childcare slots. For educational facilities/service organizations, count the number of new student slots. For health care facilities/service organizations, count the number of new patient slots. For all other facilities count the maximum client capacity of the facility created or the increase in client capacity resulting from the expansion or rehabilitation.

⁵ A first-time account holder is someone who has not held an account in the last three years.

Community Development Financial Institutions Fund

Part II-C. Certification Materials

Applicants that have not yet been certified as a CDFI, and applicants whose current certifications have expired or are scheduled to expire within nine months after the due date for this funding application, must complete Section II-C.

General Information

In order to receive any disbursement of a Core or Intermediary financial or technical assistance award from the CDFI Fund, an organization must be certified as a CDFI by the Fund. In order to be certified, an organization must be a legal entity at the time of this funding application, and must meet each of the following certification criteria:

1. The organization must individually and collectively with its *Affiliates* have a primary mission of promoting community development;
2. The organization must be a *Financing Entity*;
3. The organization must principally serve a *Target Market*;
4. The organization must provide *Development Services* in conjunction with its financing activities;
5. The organization must maintain accountability to its defined *Target Market*; and
6. The organization must be a non-governmental entity, and must not be controlled by one or more governmental entities.

Only applicant organizations that meet each of these six criteria will be certified by the Fund¹. Applicant organizations that are *Depository Institution Holding Companies* or are *Affiliates of Depository Institution Holding Companies* or *Subsidiaries of Insured Depository Institutions* must demonstrate that the applicant individually and the applicant and its *Affiliates* or *Subsidiaries* collectively meet each of the six criteria. The six criteria, and the respective submission requirements of each, are discussed in detail in subparts 1-6 below. Before proceeding to these subparts, be sure to review the definition of *Affiliate* provided in the Glossary.

Applicants that do not meet each of the certification criteria at the time that the Fund reviews their application materials may still be eligible for funding, provided that the organization is a legal entity at the time the funding application is submitted and the information provided under subparts 1-6 demonstrates that they are likely to satisfy all six certification criteria within 24 months from December 31 of the calendar year in which the applicable application deadline falls (12 months if the applicant is applying for an Intermediary award). Applicants that may neither be certified nor deemed eligible for funding cannot be considered for an award, and will be notified by the Fund of this determination.

¹ An entity that is unable to meet one or more of the eligibility requirements (e.g., financing entity) may create a separate entity for purposes of meeting these requirements. In order to be eligible for consideration, the new entity must legally exist at the time of application and must be the applicant entity.

Community Development Financial Institutions Fund

Part II-C. Certification Materials

1. PRIMARY MISSION

Purpose: To determine whether an applicant individually and collectively with its *Affiliate(s)* has a primary mission of promoting community development.

Key Criteria: In order to be deemed eligible under this criterion, an applicant must individually and collectively with its *Affiliates* have a primary mission of promoting community development.¹ For purposes of this requirement, “promoting community development” is defined as purposefully improving the social and/or economic conditions of: (1) underserved people (including low-income people and people who lack adequate access to capital and/or *Financial Services*); and/or (2) residents of distressed communities (which may include *Investment Areas*). An applicant may meet this requirement by providing incorporating documents, bylaws, annual reports, or other organizational documents of the applicant and the *Affiliate(s)* that, in the judgment of the Fund, evidence such a primary mission. In the case of an applicant that is an *Insured Depository Institution* or *Insured Credit Union*, designation by a regulatory agency as a *Low-Income Designated Credit Union* or other community development institution is an indication of having such a mission.

In the circumstances where a primary mission of promoting community development is not clearly evidenced by the entity’s organizational documents, an applicant may still demonstrate a primary mission of promoting community development by showing that the collective activities and products of the applicant and its *Affiliate(s)* evidence such a primary mission.

For purposes of this requirement, an entity that has a mission directed at serving distressed communities must be able to demonstrate that its activities directly benefit community residents (for example, through the provision of jobs, and/or needed goods or services) of such distressed communities. The Fund will not deem activities that only provide indirect benefits to residents, such as an increase in the community’s overall tax base, as evidence of an applicant and its *Affiliate(s)* primary mission of promoting community development.

Information Needed from the Applicant:

1. Attach a copy of the applicant organization’s current bylaws and articles of incorporation.
2. Does the applicant organization have any *Affiliates*?
☐ Yes
☐ No
3. Do the incorporating documents, bylaws, annual reports, or other organizational documents of the applicant organization individually and with its *Affiliate(s)* collectively evidence a primary mission of promoting community development, as defined above under the Key Criteria section?
☐ Yes (If yes, attach the appropriate documents reflecting the applicants and *Affiliate*’s missions and indicate the specific passage(s) referencing this primary mission)
☐ No
4. If your answer to question #3 above is “No,” provide a brief narrative describing how the collective activities and products of the applicant organization and its *Affiliate(s)* evidence a primary mission of promoting community development, as described above under the Key Criteria section (suggested length: one page).
5. If the applicant or any of its *Affiliate(s)* issues stock, attach information indicating the proportion of voting stock held by *Insured Depository Institutions* or *Depository Institution Holding Companies*.
6. Do you believe, based upon the information provided under questions 1-5 of this subsection, that your organization currently meets the requirements of the Primary Mission test?
☐ Yes
☐ No

If no, provide narrative (suggested length: one page) indicating what steps will be taken by your organization to ensure that it meets the Primary Mission requirements within 24 months from December 31 of the calendar year in which the applicable application deadline falls (12 months if the applicant is applying for an Intermediary award).

¹ In general, portfolio companies of *Venture Capital Fund* applicants or other applicants engaged in *Equity Investments* will not be considered *Affiliates* of such applicants.

2. FINANCING ENTITY

Purpose: To determine whether an applicant is an *Insured Depository Institution*, *Depository Institution Holding Company*, or *Insured Credit Union*, or whether it can otherwise demonstrate that it is a *Financing Entity*.

Key Criteria: Applicants that are *Insured Credit Unions*, *Insured Depository Institutions* or *Depository Institution Holding Companies* are considered *Financing Entities* by virtue of their status as regulated financial institutions. All other applicants will need to demonstrate that they are *Financing Entities*.

The Fund will examine information about an applicant's assets and its allocation of staff resources to determine whether the applicant's combined provision of *Financial Products* and *Development Services* make up a simple majority (more than 50%) of its activities, **based on its assets and its staff allocation**. The Fund will seek to determine that more than 50% of both its assets and its staff allocation are dedicated to financing activities. If so, the applicant will be determined to be a *Financing Entity*.

NOTE: As described under the *Development Services* criteria on page 32, in order for an activity to be classified as a *Development Service*, an applicant must demonstrate a clear link between the activity and the applicant's *Financial Products*. Thus, an applicant that is primarily a training, counseling, or technical assistance provider cannot count these activities as *Development Services* if, in the judgment of the Fund, such services are not intended to prepare an existing or potential borrower or investee to utilize the *Financial Products* of the applicant.

In circumstances where an applicant's combined provision of *Financial Products* and *Development Services* are not the majority of an applicant's activities, the Fund will also consider the extent to which the applicant engages in *Financing Related Activities*. These activities may include:

- the provision of pre-development grants, provided that, in the opinion of the Fund, they are offered to the applicant's borrowers or potential borrowers in order to enhance such borrowers' or potential borrowers' ability to use the applicant's lending or investment products; and
- the provision of loan packaging, provided that the applicant is financing a portion of the loan that is

being packaged for another lender.

An applicant whose *Financial Products*, *Development Services* and *Financing Related Activities*, when combined, make up a simple majority of its total activities will be determined to be a *Financing Entity*. The Fund recognizes that an applicant may engage in a variety of different activities, and therefore may not be able to demonstrate that a majority of its activities are dedicated to *Financial Products*, *Development Services* and *Financing Related Activities*. Such an applicant may still be considered a *Financing Entity* if, in the judgment of the Fund, these activities collectively represent a plurality (the largest component) of its total activities.

Notwithstanding the above criteria, non-regulated applicants that are *Start-Up Organizations* cannot be considered *Financing Entities* prior to making their first loan or *Equity Investment*.

Information Needed from the Applicant:

1. Is the applicant an *Insured Depository Institution*, *Depository Institution Holding Company*, or *Insured Credit Union*?
 - ☐ Yes (If yes, attach your organizing documents and/or current certificate of insurance indicating your status as such an entity. Please skip to Part 3, Target Market, on page 28).
 - ☐ No
2. Has the applicant made its own loans and/or *Equity Investments* to non-Affiliate entities using its own capital and are these activities reflected on its statement of financial position (balance sheet)?
 - ☐ Yes
 - ☐ No
3. Attach a copy of the applicant's *Financial Statements* for its most recently completed fiscal year. If such *Financial Statements* are not yet audited, also attach a copy of the applicant's most recent audited *Financial Statements*.

Community Development Financial Institutions Fund

Part II-C. Certification Materials

Asset Information Table

	Category	Dollar Amount	% of Total Assets
A.	Total Assets		100%
B.	<i>Financial Products</i> assets ¹		%
C.	<i>Development Services</i> assets ²		%
D.	Subtotal (rows B + C)		%
E.	If row D ≤ 50% of total assets: <i>Financing Related Activities</i> assets ³		%
F.	Subtotal (rows D+E)		%
G.	If row F ≤ 50% of total assets: All other assets ⁴		%
	1.		%
	2.		%
	3.		%
	4.		%

¹ Row B should include loans receivable and *Equity Investments* resulting from *Arms-Length Transactions*, as well as cash, cash equivalents, contracts receivable, grants receivable and other assets restricted by the source, or designated by an applicant's Board or similar body, for the provision of *Financial Products*.

² Row C should include contracts or grants receivable for the provision of *Development Services*, and cash or cash equivalents restricted by the source, or designated by an applicant's Board or similar body, for the provision of *Development Services*.

³ Row E only needs to be completed if row D comprises 50% or less of your organization's total assets. Estimate the total assets devoted to the provision of *Financing Related Activities*.

⁴ Row G only needs to be completed if row F comprises 50% or less of your organization's total assets. List each category of your organization's other assets separately on lines 1-4. These categories should be self-identified, and may include, for example, real estate development assets, assets related to the provision of social services, or fixed assets.

4. (a) Complete the Asset Information Table above, using the applicant's financial statements from its most recently completed fiscal year (audited, if available). Before completing this table, be sure to review the definitions of *Financial Products*, *Development Services*, and *Financing Related Activities* provided in the glossary. Note: You may download a spreadsheet version of this table at the Fund's website: www.treas.gov/cdfi.

4. (b) Provide explanatory notes clarifying how you used information from your organization's *Financial Statements* to derive the figures in rows B, C, and, if applicable, E and G of the Asset Information Table.

5. (a) Complete the Staff Allocation Table at top of page 27, based on your current allocation of staff resources.

Note: You may download a spreadsheet version of this table at the Fund's website: www.treas.gov/cdfi.

For purposes of this table, the Fund defines one *Full Time Equivalent (FTE)* as one person working a 40-hour work week. In calculating the number of *FTEs*, an organization may aggregate the work hours of part-time employees (for example, if an organization has two part-time employees who each work 20 hours per week, they may be counted as one *FTE*).

An organization that has staff occupying multiple categories of activities identified in the Staff Allocation Table should allocate *FTEs* based on the estimated percentage of staff time an employee devotes to each category of activity.

Community Development Financial Institutions Fund

Part II-C. Certification Materials

Staff Allocation Table

	Category	FTEs	% of Total FTEs
A.	Total Number of <i>FTE</i> Staff		100%
B.	<i>FTEs</i> devoted to provision of <i>Financial Products</i> ¹		%
C.	<i>FTEs</i> devoted to <i>Development Services</i> ²		%
D.	Subtotal (rows B+C)		%
E.	If row D ≤ 50% of total <i>FTEs</i> : <i>FTEs</i> devoted to <i>Financing Related Activities</i> ³		%
F.	Subtotal (rows D+E)		%
G.	If row F ≤ 50% of total <i>FTEs</i> : All other <i>FTEs</i> ⁴		
	1.		%
	2.		%
	3.		%
	4.		%

¹ Estimate the number of *FTEs* devoted to activities directly related to the applicant's Financial Products. These activities may include loan processing, underwriting, servicing, and related administrative activities.

² Estimate *FTEs* devoted to *Development Services* that directly support the applicant's Financial Products.

³ Row E only needs to be completed if row D comprises 50% or less of your organization's total number of *FTEs*. Estimate the number of *FTEs* devoted to the provision of *Financing Related Activities*.

⁴ Row G only needs to be completed if row F comprises 50% or less of your organization's total number of *FTEs*. List each category of other *FTEs* separately as indicated in lines 1-4. These categories should be self-identified and may include, for example, staff devoted to real estate development or management, staff devoted to the provision of social services, etc.

An organization whose Board members or other volunteers devote significant time to fulfilling an organization's day-to-day operational responsibilities may aggregate such time into the calculations of *FTEs* in the Staff Allocation Table.

5. (b) Provide explanatory notes of how you derived the figures in the Staff Allocation Table. Specifically, explain how staff with multiple responsibilities are represented in the Table. To the extent that volunteers or Board members make up a significant portion of your organization's day-to-day staffing, explain their responsibilities and indicate how they are represented in the Table.

6. Do you believe, based upon the information provided under questions 1-5 of this subsection, that your organization currently meets the requirements of the *Financing Entity* test?

☐ Yes

☐ No

If no, provide narrative (suggested length: 1 page) indicating what steps will be taken by your organization to ensure that it meets the *Financing Entity* requirements within 24 months from December 31 of the calendar year in which the applicable application deadline falls (12 months if the applicant is applying for an Intermediary award).

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3. TARGET MARKET

Purpose: To determine whether an applicant's activities are principally directed to serving a *Target Market*.

Key Criteria: The requirements of this section are twofold. The applicant must first designate an eligible *Target Market*, and then demonstrate that a minimum of approximately 60% of its activities are directed towards serving its *Target Market*.

Designating a Target Market

An eligible *Target Market* may be comprised of: (a) *Investment Area(s)*; (b) a *Low-Income Targeted Population*; (c) *Other Targeted Population(s)*; or (d) any combination of the three. An applicant need only designate one *Investment Area*, *Low-Income Targeted Population* or *Other Targeted Population*, but may designate more than one, if necessary to demonstrate that a minimum of 60% of its activities are directed towards an eligible *Target Market*. The eligibility requirements for the *Target Market* are as follows:

1. An ***Investment Area*** will be found to be eligible if it:
 - (a) is entirely located within the *United States*;
 - (b) is comprised of an eligible *Geographic Unit(s)*¹; and either:
 - (1) Encompasses or is located in a Federally-designated Empowerment Zone or Enterprise Community; or
 - (2) Meets at least one of the CDFI Fund's five tests of economic distress² and has unmet needs for loans or *Equity Investments*.

A CDFI may serve one or multiple *Investment Areas*, as needed to fully define its *Target Market*.

To define an eligible *Investment Area*, applicants must use the Fund's On-Line Help Desk on the CDFI

Fund's website (www.treas.gov/cdfi). If you have questions, please contact the Fund at (202) 622-8662.

2. A ***Low-Income Targeted Population*** will be found to be eligible if it is comprised of individuals whose family income is not more than:
 - (a) For metropolitan areas, 80% of the metropolitan area median family income; and
 - (b) For non-metropolitan areas, the greater of 80% of the area median family income or 80% of the statewide non-metropolitan area median family income.

Applicants may use the Fund's On-Line Help Desk to determine whether their clients meet the *Low-Income* threshold for the defined *Low-Income Targeted Population*.

3. An ***Other Targeted Population*** will be found to be eligible if it is an identifiable group of individuals that is not a *Low-Income Targeted Population* but, nevertheless, lacks adequate access to loans, *Equity Investments*, or *Financial Services*. An *Other Targeted Population* shall include people who have historically been denied access to loans, *Equity Investments*, or *Financial Services* due to factors that are unrelated to their investment or credit worthiness such as gender, race, ethnicity, national origin and creed. An *Other Targeted Population* must be comprised of identifiable groups of individuals (e.g., African-Americans, Hispanics, Native Americans), as opposed to groups of institutions (such as small businesses or cooperative enterprises). An applicant, in addition to demonstrating that it serves such a group, must also provide a brief analytical narrative with information demonstrating that the members of the group in its service area lack adequate access to loans, *Equity Investments* or *Financial Services*. Please see examples on page 29, question 5 of ways in which an applicant may satisfy this requirement.

¹ An *Investment Area* shall consist of a single *Geographic Unit* or a group of contiguous *Geographic Units*. Such contiguous units do not each have to meet one of the distress criteria. However, the combined population of *Geographic Units* which do not meet any distress criteria may not exceed 15% of the total population of the *Investment Area*. Contiguous *Geographic Units* in an *Investment Area* do not each have to meet the same distress criteria.

² An *Investment Area* will be considered distressed if it meets at least one of the following five criteria of economic distress: 1) has a high concentration of poverty; 2) has a low median family income; 3) has a high rate of unemployment; 4) has a high percentage of occupied distressed housing; or 5) has experienced a significant loss in population. These five criteria are further defined in the applicable CDFI Fund regulations found at 12 CFR Part 1805.201(b).

Demonstrating that Activities are Directed Towards the Target Market

In general, an applicant must demonstrate that a minimum of approximately 60% of its total activities are directed to serving an eligible *Target Market*. To demonstrate that the applicant meets or surpasses this 60% threshold, the applicant must show that it serves its *Target Market* directly (e.g., loans directly to *Low-Income* people, loans directly to residents of an *Investment Area*, or loans directly to individuals who are members of an eligible *Other Targeted Population*) and/or indirectly (e.g., loans to businesses that are using loan proceeds to create or sustain jobs for *Low-Income* people or residents of an *Investment Area*, or loans to developers of housing for residents of an *Investment Area*).

For purposes of this requirement, in general, an activity that serves a *Target Market* indirectly (e.g., a loan to a small business that hires *Low-Income* people) shall be counted as serving the *Target Market* if at least 60% of the end beneficiaries (e.g. employees of the business receiving assistance from the applicant) are members of the *Target Market*. In cases in which an applicant cannot demonstrate that at least 60% of the end beneficiaries of a given product or service are members of the *Target Market*, the Fund may still consider the activity as serving the *Target Market* if, in the opinion of the Fund, the applicant: 1) makes a good faith effort to serve the *Target Market* (e.g., by mandating that recipients of small business loans seek to fill positions first from State welfare lists or other sources of *Low-Income* workers); and 2) tracks the extent to which end beneficiaries are members of the *Target Market*.

Information Needed from the Applicant:

1. Indicate which *Target Market(s)* you are designating (check all that apply):
 - ☐ *Investment Area(s)*
 - ☐ *Low-Income Targeted Population*
 - ☐ *Other Targeted Population(s)* (Specify populations(s):_____)

Investment Area(s)

2. For applicants designating one or more *Investment Area(s)*, prepare and attach an *Investment Area* Worksheet and *Investment Area* Map. These materials

must be obtained from and prepared using the CDFI Fund On-Line Help Desk at the CDFI Fund's website (www.treas.gov/cdfi). Detailed instructions on how to prepare and submit this information are available on the website. If you have questions on how to prepare these materials, or cannot access the website, please contact the Fund at (202) 622-8662.

3. For applicants designating one or more *Investment Area(s)*, provide a brief narrative describing the unmet loan, *Equity Investment*, or *Financial Service* needs of the *Investment Area(s)*. For example, an applicant may illustrate a lack of bank branches within geographic proximity to the *Investment Area(s)*; or that residents of the *Investment Area* experience a high rate of loan declines from existing financial institutions. Note: The On-Line Help Desk (www.treas.gov/cdfi) has information on bank activity in *Investment Areas*. This information may be used as a source for describing unmet loan or *Equity Investment* needs in an *Investment Area*.

Low-Income Targeted Population

4. For applicants designating a *Low-Income Targeted Population*, specify the service area from which the *Low-Income Targeted Population* is drawn (e.g., name of city, county, state): _____

Applicants serving a *Low-Income Targeted Population* may consult the CDFI Fund On-Line Help Desk at the CDFI Fund's website (www.treas.gov/cdfi) to ascertain data relating to area median family incomes.

Other Targeted Population

5. For applicants designating an *Other Targeted Population*, specify the service area from which the *Other Targeted Population(s)* is drawn (e.g., name of city, county, state): _____

Provide a brief analytical narrative with information demonstrating that members of the *Other Targeted Population* in the applicant's service area have unmet loan, *Equity Investment* or *Financial Service* needs. This information may include, for example, data from the Fund's On-Line Help Desk about mortgage and small business lending within the applicant's service area by traditional financial institutions, surveys of the applicant's clients indicating high levels of loan denials by traditional financial institutions, studies conducted by third parties indicating inadequate access to loans, *Equity Investments*, or *Financial*

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Services among members of the *Other Targeted Population* within the applicant's service area, information showing an inadequate number of bank branches or other regulated financial institution offices within the applicant's service area, Home Mortgage Disclosure Act data, Bureau of the Census data, data regarding the proliferation of high-cost lenders within the applicant's service area, information regarding the locations of bank branches within the applicant's service area, or other proxies that demonstrate that the *Other Targeted Population* lacks adequate access to loans, *Equity Investments* or *Financial Services* in the applicant's service area. The Fund reserves the right to request additional information, including information on the unmet loan, *Equity Investment*, or *Financial Service* needs of applicant's clients if it deems it appropriate.

The Fund has determined that credible evidence exists on a national level demonstrating that certain *Other Targeted Populations* (described in the applicable Notice of Funds Availability) lack adequate access to loans, *Equity Investments*, or *Financial Services*. To the extent that an applicant's service area is national and it is serving such Population(s), it is not required to provide the above-referenced analytical narrative describing its service area's unmet loan, *Equity Investment*, or *Financial Service* needs. However, the Fund believes it is important to ensure that organizations serving these *Other Targeted Population(s)* in regional or local service areas provide information from the service area that is consistent with this national data.

All Applicants

6. All applicants must complete the Applicant Activity Table, on page 31, indicating the extent to which the applicant organization's *Financial Products*, *Financial Services*, and *Development Services* are directed to the defined *Target Market*. Please attach narrative information (suggested length: 1 page) describing how your organization verifies that activities shown as serving a *Target Market* are in fact being provided to that *Target Market*. For example, if an organization serves a *Low-Income Targeted Population* or *Other Targeted Population*, it should indicate how it verifies

that its clients (or its clients' end beneficiaries) are *Low-Income* or members of the designated *Other Targeted Population*, respectively. Similarly, if an organization serves an *Investment Area*, it should indicate how it determines that its clients are residents of the *Investment Area*.

NOTE: If an applicant does not track the information required in the Applicant Activity Table on a product-by-product or client-by-client basis, it may estimate the amount of activities directed to its *Target Market*. In such cases, the applicant must identify in its narrative those cases in which estimates were used, and must provide an explanation of how the estimate was derived. For example, an applicant may survey a random sample of its borrowers in order to estimate the proportion of its loans that are directed to its *Target Market*, provided it documents the methodology used in the survey. In general, a random sample of at least 100 clients will be considered sufficiently large. The sample must demonstrate that the applicant meets or exceeds the 60% targeting threshold described under Key Criteria on page 28.

7. Estimate the percentage of your organization's other activities (such as *Financing Related Activities*, real estate management, social service delivery, etc.) that are directed towards its *Target Market(s)*: ____%.

NOTE: The Fund may request additional information from the applicant in circumstances where "other" activities constitute a significant portion of the applicant's total activities.

8. Do you believe, based upon the information provided under questions 1-7 of this subsection, that your organization currently meets the requirements of the *Target Market* test?

☐ Yes

☐ No

If no, provide narrative (suggested length: 1 page) indicating what steps will be taken by your organization to ensure that it meets the *Target Market* requirements within 24 months from December 31 of the calendar year in which the applicable application deadline falls (12 months if the applicant is applying for an Intermediary award).

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Applicant Activity Table (see instructions on page 30, question 6)

Provide the information below only for the applicant's most recently completed fiscal year. The Fund may request information on additional past years if the activity levels described below are not conclusive.

- In columns 2 through 4, report only those activities that correspond to the Target Market that you designated in question 1, on page 29.
- Include activity that is in more than one Target Market only once. For example, a Low-Income borrower that also resides in an Investment Area should only be included in one column.
- If actual data is not available, you may use estimates, as described in question 6 on page 30. If you have no activity, put "none."

Measures	Total Activity	Activity in Investment Area(s)	Activity to Low-Income Targeted Population	Activity to Other Targeted Population(s)	Total Target Market Activity (column 2+3+4)	Target Market Activity as % of Total Activity (column 5 / column 1)
Loans						
Number of loans						%
Dollar amount of loans	\$	\$	\$	\$	\$	%
Equity Investments						
Number of Investments						%
Dollar amount of Investments	\$	\$	\$	\$	\$	%
Development Services						
Number of clients receiving Dev. Services						%
Deposits/Shares (Insured Depository Institutions and Insured Credit Union only)						
Number of Deposit/Share Accounts						%
Dollar amount of Deposit/Share Accounts	\$	\$	\$	\$	\$	%
Grants or Deposits¹ to CDFIs or potential CDFIs (CDFI Intermediaries only)						
Dollar amount of grants and deposits	\$	\$	\$	\$	\$	%

¹ This refers to deposits made by a CDFI Intermediary to Insured Depository Institutions and/or Insured Credit Unions that are CDFIs or emerging CDFIs.

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4. DEVELOPMENT SERVICES

Purpose: To determine whether an applicant provides *Development Services* in conjunction with its financing activities.

Key Criteria: An applicant must demonstrate that it provides *Development Services* which, by definition, are directed to the recipients or potential recipients of the applicant's *Financial Products*. In order for an activity to be classified as a *Development Service*, an applicant must demonstrate a clear link between the activity and the applicant's *Financial Products*. Thus, an applicant that is primarily a training, counseling, or technical assistance provider cannot count these activities as *Development Services* if, in the judgment of the Fund, such services are not intended to prepare an existing or potential borrower or investee of the applicant to utilize the *Financial Products* of the applicant. The Fund does not specify a minimum ratio of an applicant's *Development Services* to its financing activities, recognizing that this ratio may vary depending upon an applicant's specific products and market.

Common examples of *Development Services* include homebuyer counseling, business plan development, training on business finances, and technical assistance on improving a borrower's credit rating. Applicants may provide *Development Services* through their own staff (as indicated in the Staff Allocation Table of this application), through the staff of an *Affiliate*, or through a contract with another provider (as long as the applicant is directing and contributing to the provision of those services).

Information Needed from the Applicant:

1. How does your organization provide *Development Services*? (Check all that apply).
 - ☐ Provides *Development Services* directly;
 - ☐ Provides *Development Services* through an *Affiliate(s)* (name of *Affiliate(s)*): _____;
 - ☐ Provides *Development Services* through a contract with a non-*Affiliate* organization(s) (name of provider(s)): _____.
2. Approximately what percentage of *Development Services* clients apply for *Financial Products* from your organization? _____%
3. Provide a brief narrative describing the content of your *Development Services* (Suggested length: 1 page). If your organization provides *Development Services* through a contract with a non-*Affiliate* organization, also describe the terms of the contract and the extent to which your organization directs and contributes to the provision of those services.
4. Do you believe, based upon the information provided under questions 1-3 of this subsection, that your organization currently meets the requirements of the *Development Services* test?
 - ☐ Yes
 - ☐ No

If no, provide narrative (suggested length: 1 page) indicating what steps will be taken by your organization to ensure that it meets the *Development Services* requirements within 24 months from December 31 of the calendar year in which the applicable application deadline falls (12 months if the applicant is applying for an Intermediary award).

5. ACCOUNTABILITY

Purpose: To determine whether an applicant maintains accountability to its defined *Target Market*.

Key Criteria: The most definitive means by which an applicant may demonstrate that it is accountable to its *Target Market* is by demonstrating that members of its governing board are representative of the *Target Market*. An organization may maintain accountability to its *Target Market* either by having on its governing board individuals who are themselves representative of the *Target Market* (e.g. *Low-Income* individuals) or by having representatives of organizations that primarily serve the *Target Market* (e.g. staff or board members of a non-profit organization that principally serves *Low-Income* individuals). The Fund does not specify a minimum percentage of governing board members that must be accountable to the *Target Market*. The Fund will evaluate such accountability on a case by case basis, taking into consideration the size of the governing board along with the diversity of its membership.

If an applicant has designated both *Investment Area(s)* and *Targeted Population(s)*, the applicant must demonstrate that it maintains accountability to each portion of its *Target Market*. For example, if an applicant has identified an *Investment Area* in a city and has also identified a *Low-Income Targeted Population* drawn from the broader metropolitan area, the applicant must maintain accountability to the residents of the *Investment Area* and the *Low-Income Targeted Population*.

An applicant may satisfy the accountability requirement through means other than representation on its governing board – such as through advisory boards, focus groups, community meetings, or community or client surveys. In evaluating such means of maintaining accountability, the Fund will consider how often information is collected from the *Target Market*, and whether it is used by the applicant in making decisions that affect the *Target Market*.

Information Needed from the Applicant:

1. How does your organization maintain accountability to the residents of your defined *Investment Area(s)* and/or *Targeted Population(s)*? (check one or both).
 - ☐ Through the governing board (answer question 2, below)
 - ☐ Through other means (answer question 3, below)

2. If your organization maintains accountability through a governing board, complete the information below:

What is the total number of governing board members? _____

How many members of your organization's governing board are representative of its defined *Investment Area(s)* and/or *Targeted Population(s)*? _____

Attach a list of your Board Members, indicating which members are representative of the defined *Target Market* and how they are representative of that *Target Market* (for example, Mr. Smith resides in *Investment Area* #1).

3. If your organization maintains accountability through a means other than its governing board, provide a brief narrative describing how your organization maintains accountability to its defined *Target Market*. (Suggested length: 1 page). This narrative shall address how your organization uses its accountability approach to inform decisions made by the governing board that affect its *Target Market*.
4. Do you believe, based upon the information provided under questions 1-3 of this subsection, that your organization currently meets the requirements of the Accountability test?

☐ Yes

☐ No

If no, provide a narrative (suggested length: 1 page) indicating what steps will be taken by your organization to ensure that it meets the Accountability requirements within 24 months from December 31 of the calendar year in which the applicable application deadline falls (12 months if the applicant is applying for an Intermediary award).

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Part II-C. Certification Materials

6. NON-GOVERNMENT ENTITY

Purpose: To determine whether an applicant is a non-government entity and is not controlled by one or more government entities.

Key Criteria: An applicant must demonstrate that it is not a government entity and is not controlled by one or more government entities¹. In general, the Fund considers the following factors, among others, as indicative of an applicant's being controlled by one or more government entities:

- If one or more government entities or government officials control the election or appointment of a majority of the members of the applicant's board of directors. Even if no single government entity or official controls the election of the board, the Fund will consider an applicant to be governmentally controlled if a combination of separate government entities or officials control the election of a majority of the board.
- If the applicant is controlled by a parent organization that is controlled by one or more government entities.
- If one or more government entities select or have veto power over the selection of the applicant's executive director, chief executive officer, or comparable officer.
- If one or more government entities control or have veto power over the applicant's loan or investment decisions.

An entity that was created by or receives substantial assistance from one or more government entities may still meet this requirement provided that, in the judgment of the Fund, it is not controlled by such entities and maintains independent decision making authority over its activities.

Information Needed from the Applicant:

1. Indicate on the applicant organization's board list any members who are government employees or elected or appointed government officials.
2. Answer the questions below by placing a check in each applicable box. If you check any "yes," provide a brief narrative explaining the circumstances and whether this affects the applicant's ability to meet this requirement.
 - a. Do one or more government entities or officials control the election or appointment of a majority of the mem-

bers of the board of directors of the applicant?

- ☐ Yes
☐ No

- b. Do the articles of incorporation or bylaws of the applicant require that a certain number of the applicant's board members be government employees or elected or appointed government officials?

- ☐ Yes
☐ No

- c. Do one or more government entities select or have veto power over the selection of the executive director, chief executive officer, or comparable official of the applicant?

- ☐ Yes
☐ No

- d. Do one or more government entities control or have veto power over the financing decisions of the applicant?

- ☐ Yes
☐ No

- e. Are a majority of the applicant's board members themselves elected or appointed government officials?

- ☐ Yes
☐ No

- f. Does any government entity provide more than 50% of the applicant's operating budget or financing capital?

- ☐ Yes
☐ No

- g. If the applicant organization is controlled by another entity, is that entity controlled by one or more government entities?

- ☐ Yes
☐ No

3. Do you believe, based upon the information provided under questions 1-2 of this subsection, that your organization currently meets the requirements of the Non-Government Entity test?

- ☐ Yes
☐ No

If no, provide narrative (suggested length: 1 page) indicating what steps will be taken by your organization to ensure that it meets the Non-Government Entity requirements within two years from December 31st of the calendar year in which the applicable application deadline falls (12 months if the applicant is applying for an Intermediary award).

¹ For purposes of this requirement, the Fund does not consider organizations operated or controlled by a tribal government to be an agency or instrumentality of the government of the United States or any State or any political subdivision of a State. Thus entities that are tribal entities or controlled by tribal government entities may still be eligible as CDFIs.

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Part III. *Comprehensive Business Plan*

The *Comprehensive Business Plan* outlines the mission, goals and capacity of your organization and its strategy to serve your market over at least the next five years. The *Comprehensive Business Plan* should focus on the activities of the applicant entity. You may refer to the activities of any *Affiliates* only to the extent that they affect the applicant's ability to carry out its *Comprehensive Business Plan*. You should write your narrative assuming the reader is learning about your organization for the first time, even if your organization has previously submitted an application to the Fund or received funding from the Fund. If you are submitting an application with a *Community Partner*, the *Comprehensive Business Plan* should address the activities of both the applicant and the *Community Partner*. In such a case, the *Comprehensive Business Plan* will be evaluated based on the extent to which the applicant and *Community Partner* will participate in carrying out the activities of the *Community Partnership*, the extent to which the *Community Partner* will enhance the likelihood of success of the *Comprehensive Business Plan*, and the extent to which service to the *Target Market* will be better performed by the partnership than by the applicant alone.

The suggested length for the *Comprehensive Business Plan* is not more than 25 pages, plus attachments. The items in the *Comprehensive Business Plan* must be provided in the order listed below. A table of contents and references to attachments in the narrative are suggested. Applicants may provide the *Comprehensive Business Plan* charts either as attachments or inserted within the appropriate section of the *Comprehensive Business Plan*.

A. **Executive Summary** (suggested length: one to two pages)

Provide a summary description of the applicant, including its mission statement, products and services, market (with an emphasis on its designated *Target Market*), major accomplishments and community development impact to date and proposed activities. Highlight key points of the proposed strategy, expected achievements and proposed uses of Fund assistance.

Sections B through E will be used to evaluate the applicant's ability to carry out its *Comprehensive Business Plan* and create community development impact. These sections will be evaluated and scored for a maximum of 50 points. Suggested length: 10-12 pages.

B. **Community Development Track Record**

Maximum Points: 12 for established organizations, 0 for *Start-Up Organizations*.

NOTE: Although *Start-Up Organizations* are not scored under Section B during Phase One substantive review, they must submit the information requested. It will be considered during Phase Two of the substantive review process.

1. Complete the "actual" section of the Activities Level Chart and the Impact and Institutional Performance Chart (pages 43 and 44) relating to activities for the applicant's last three fiscal years, or for its period of operation if less than three fiscal years.
2. Provide a brief narrative of your organization's track record in serving its market, with an emphasis on its designated *Target Market* over the last three years, or during its period of operation if less than three fiscal years. Discuss the direct and indirect impact that the activities in the Activities Level Chart have had on your market. Provide quantitative measures of this impact, where possible.
3. **Intermediary Applicants:** Include information on your activities and impacts relative to serving small (e.g. organizations under \$5 million in total assets) and emerging CDFIs¹ and CDFIs that have not received assistance from the CDFI Fund.

¹ An emerging CDFI is an organization that is not yet certified by the Fund as a CDFI but that the Intermediary Component Applicant determines in good faith has a reasonable chance of being certified by the Fund within three years of the date the emerging CDFI receives assistance from the Intermediary Component applicant.

Community Development Financial Institutions Fund

Part III. *Comprehensive Business Plan*

C. Operational Capacity and Risk Mitigation Strategies

Maximum Points: 12 for established organizations, 20 for *Start-Up Organizations*.

1. **Policies and Procedures:** Provide a brief summary of the following applicant policies and procedures indicating whether they are board approved and when they were implemented. If they are not currently in place, describe what steps your organization will take to develop and implement such policies and procedures. If your practices differ from your policies and procedures, explain:
 - a. Loan or Investment Review: Loan or investment review and approval process, and underwriting criteria.
 - b. Portfolio Monitoring: Monitoring process, risk rating methodologies, and loan restructuring, collections, and write-off policies.
 - c. Financial Management/Risk Mitigation: Internal controls and operating policies for safeguarding assets, including cash management, maintaining liquidity and operating reserves, investment of idle cash, and risk mitigation strategies (e.g. portfolio diversification, adopting internal lending limits, establishing and adjusting loan loss reserves).
2. **Management Information Systems:** Discuss the applicant's management information systems and any needs or plans for upgrading such systems in the next five years, particularly as they relate to an applicant's request for Technical Assistance.

D. Financial Track Record and Strength

Maximum Points: 12 for established organizations, 0 for *Start-Up Organizations*.

NOTE: Although *Start-Up Organizations* are not scored under Section D during Phase One substantive review, they must submit the information requested. It will be considered during Phase Two of the substantive review process.

1. **Financial Statements:**

Non-regulated applicants: Submit audited *Financial Statements*, or *Financial Statements* that have been reviewed by an independent Certified Public Accountant (C.P.A.) if audited statements are not available, for the applicant's three most recently completed fiscal years¹. Such documents must include:

- a. balance sheets or statements of financial position;
- b. income and expense statements or statement of activities;
- c. statements of cash flows;
- d. notes to the financial statements and, if applicable, auditor's opinion letter and any reports of findings.

If audited or C.P.A.-reviewed financial statements are not available, submit internal *Financial Statements* and explain why audited statements are not available. If the audited *Financial Statements* of the applicant are consolidated with its *Affiliates* and do not include separate schedules on the applicant's financial position and income and expense statements, also submit a separate set of internal *Financial Statements* which clearly distinguish the applicant's financial information from that of the *Affiliates*.

Regulated applicants (banks, credit unions, bank holding companies, thrifts, etc.): Submit *Financial Statements* that have been reviewed by the applicant's Appropriate Federal Banking Agency (e.g. National Credit Union Administration Form 5300) for the three most recent fiscal years available. If an applicant has been in operation for less than three years, submit statements for as many fiscal years as available.

¹ If an applicant has been in operation for less than three years, submit statements for as many fiscal years as available.

Community Development Financial Institutions Fund

Part III. *Comprehensive Business Plan*

- 2. Loan Portfolio Quality:** Complete the Loan Portfolio Quality Chart (page 45) reflecting the three most recently completed fiscal years. Provide a narrative explanation of portfolio performance, particularly explaining the circumstances of any unusually high levels of delinquencies and losses, or loss reserves that appear inconsistent with actual losses. Such explanations should include any steps the organization is taking to remedy identified problems.

NOTE: Applicants may submit their own internal portfolio aging report instead of completing the Loan Portfolio Quality Chart if the internal report uses the same aging categories and the same definitions, and is aggregated across all loan programs. To the extent that the internal report does not contain the information requested in the Loan Portfolio Quality Chart, please complete those sections of the Chart.

Applicants principally engaged in *Equity Investment* activities must submit a customized report on the performance and valuation of their investment portfolio for the last three years instead of the Loan Portfolio Quality Chart.

Insured Credit Unions and Insured Depository Institutions: Instead of completing the Loan Portfolio Quality Chart, *Insured Credit Unions* may submit their Financial Performance Ratios (FPR) prepared by NCUA and *Insured Depository Institutions* may submit their Uniform Bank Performance Report (UBPR). These reports must cover the same three years as the financial statements.

- 3. Financial Track Record Charts:** Complete the (1) Financial Data Input Chart (page 46); and (2) Key Financial Trends and Ratios Chart (page 47). The information in the charts should be based on the financial statements referenced above. Provide a narrative explanation of financial performance, particularly explaining the circumstances of any problems (such as low *Net Asset Ratio*, low *Deployment Ratio*, negative *Net Income*) and describing any steps the organization is taking to remedy them.

Insured Credit Unions and Insured Depository Institutions: Instead of completing the Financial Data Input Chart and the Key Financial Trends and Ratios Chart, *Insured Credit Unions* may submit their Financial Performance Ratios (FPR) prepared by NCUA and *Insured Depository Institutions* may submit their Uniform Bank Performance Report (UBPR). These reports must cover the same three years as the *Financial Statements*.

E. Capacity, Skills and Experience of the Management Team

Maximum Points: 14 for established organizations, 30 for *Start-Up Organizations*.

- 1. Management and Staff Experience:** For each member of the management team and other key personnel (e.g. chief lending officer), submit:
- a description of current job responsibilities; education, experience and skills; and length of tenure with the applicant and previous employers. This information may be provided in the form of current resumes or detailed biographical statements. Include a brief narrative explaining the management team's relevant experience in relation to the applicant's current and proposed activities. Include volunteers or contract persons (e.g. attorneys, accountants) if they are an integral part of the management team. If the applicant has, or expects to have within the next nine months, any vacancies in management or key staff or new positions, discuss plans for filling such positions and the necessary qualifications for each position.
 - an organizational chart that indicates: positions, names of current staff, dates hired and whether the positions are full-time or part-time; to whom each staff position reports; and the relationship of the applicant to its *Affiliates* (if any). Include volunteers if they are an integral part of the ongoing staffing structure.

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2. **Board of Directors:** Submit a current list of the governing board members that indicates their tenure and organizational affiliations. Discuss the role(s) of the board of directors with respect to the governance and management of the organization. For board members who hold key positions, including board chair, board officers, board committee chairs and loan committee members, submit an outline of board duties and current resumes.
3. **Institutional Development:** Describe the activities that the applicant will undertake during the next five years to strengthen its capacity. Such activities may include modifications to the current staffing structure, and staff training and board development. If the applicant plans to hire additional staff within the next five years, discuss the functions or responsibilities of any new positions and necessary qualifications. If you are applying for Technical Assistance with this application, describe how the requested assistance will affect the capacity of your organization to carry out its *Comprehensive Business Plan*.

Sections F through K will be used to evaluate the quality of the strategy for carrying out the *Comprehensive Business Plan* and for creating community development impact. These sections will be evaluated and scored for a maximum of 40 points. Suggested length: 10-12 pages.

F. Market Analysis

Maximum Points: 10.

1. **Market Context and Customers:** Describe the applicant's market and, if different, its *Target Market*. Discuss the extent of economic distress in the *Target Market*. Discuss any market opportunities, factors or trends that may influence the applicant's ability to deliver its products and services to its *Target Market*.

Optional: You may find information on business and mortgage lending by *Insured Depository Institutions* in designated *Investment Areas* by consulting the CDFI Fund On-Line Help Desk (www.treas.gov/cdfi). This information may be useful in assessing demand and existing levels of lending activity in your *Target Market*.

2. **Demand:** Discuss the extent of demand for the applicant's products and services within the market, with an emphasis on the *Target Market*. To the maximum extent possible, quantify the size of the applicant's market and the size of demand for its products and services, as well as the applicant's estimate of its potential market share. Explain the basis for these estimates (e.g. customer inquiries, results of a survey, etc.).

NOTE: Be careful to distinguish need from demand. Demand is the measurable level of clients or potential clients of your organization's products and services. For example, the applicant may offer a micro loan product that targets *Low-Income* people in a distressed neighborhood (i.e. a market with great needs). However, in assessing demand, the applicant must estimate how many of those people may be reasonably expected to either apply for a micro loan or obtain a micro loan.

3. **Competition:** Identify and discuss actual or potential competitors. Discuss the applicant's market niche.
4. **Intermediary Component Applicants:** Describe the extent to which your market is comprised of small (e.g., less than \$5 million in total assets) and emerging CDFIs.

G. Program Design and Implementation Plan

Maximum Points: 10.

1. **Products and Services:** Describe the applicant's products and services (e.g. for loan and investment products, discuss amounts, pricing, and terms) and how their design addresses the needs and demand of the *Target Market* (e.g. flexible underwriting criteria, nontraditional forms of collateral, low down-payment requirements, etc.). Discuss how the applicant differentiates its products and services from those of its

competitors. Discuss any activities the applicant regularly engages in to develop, test, and adapt its products and services in response to customer needs, demand and market opportunities.

2. **Outreach and Delivery:** Describe how the applicant markets and delivers its products and services to its *Target Market*. Describe your activities to build demand for these products and services in the *Target Market*.
3. **Coordination:** Briefly describe how you will leverage resources by coordinating with other providers in your market, specifically addressing the following:
 - a. The extent of community support in your *Target Market* for your organization and its activities, and how you will coordinate with any of the following in your delivery of products and services to your market: *Affiliates*, community organizations, financial institutions, tribal governments, and other public and private entities.
 - b. The extent to which your activities are consistent with existing economic, community and housing development plans adopted by or applicable to your *Target Market*.
 - c. Your plan to coordinate the use of assistance from the Fund with existing government assistance programs and private sector financial resources.
 - d. If you have a *Community Partner*, attach the written agreement between your organization and the *Community Partner*. Briefly discuss the role of the *Community Partner* in delivering products and services in your market. Describe how you will ensure quality performance by the *Community Partner*, how the *Community Partner* will enhance the likelihood of success of the *Comprehensive Business Plan*, and how service to the *Target Market* will be better performed by a partnership than by your organization alone.

H. Financial Projections and Resources

Maximum Points: 10.

1. **Financial Projections:** Submit projected annual *Financial Statements* for the applicant for each of the next five years which include: (1) a statement of financial position and statement of activities for a non-profit applicant and a balance sheet and income and expense statement for a for-profit applicant; and (2) key assumptions underlying the projections (e.g. expected infusions of debt or equity capital, increases in loan production, cost of capital, level of earned income from fees and interest). Projections should assume the applicant receives a CDFI Fund award in the amount requested, and that such funds are received in the calendar year following the submission of this application
2. **Institutional Performance:** Discuss the applicant's goals regarding institutional performance (e.g. improving portfolio performance, increasing the *Net Asset Ratio*, increasing the *Self-Sufficiency Ratio*). If you would like any of these goals to be considered as potential performance goals, complete the five-year annual projections in the Impact and Institutional Performance Chart (found on page 44) and, to the extent possible, complete the three-year historical data.

NOTE: For applicants that are selected to receive a Fund award, the five-year annual projections and the three-year historical figures presented in the Impact and Institutional Performance Chart will be used to develop performance goals. Therefore, **applicants are cautioned to be as realistic as possible in their projected activity and impact levels.**

3. **Financial Sustainability Strategy:** Discuss the applicant's strategy for sustaining its projected operations through earned income, grants, contributions, or other resources. Discuss the applicant's strategy for capitalizing its loan or investment fund through debt, equity, secondary markets, or other resources. Discuss the extent to which funding sources are, or will become, diversified.

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4. **Insured CDFIs:** If the applicant plans to become an *Insured Credit Union* or *Insured Depository Institution*, discuss its plans and timetable.
5. **Matching Funds:** Complete the Matching Funds Summary Chart (found on pages 48-51). If all of the applicant's *Matching Funds* are not *In Hand* or *Committed*, provide a narrative discussing its plan for raising the balance of the *Matching Funds*. Discuss the extent to which the *Matching Funds* are or will be derived from private sector sources. In the case of a credit union applicant planning to use *Retained Earnings* accumulated since inception as *Matching Funds*, provide a narrative description of its strategy for raising *Total Member/Mon-Member Shares*.

NOTE: Applicants with severe constraints on available sources of *Matching Funds* may request a "severe constraints waiver." In such a case, the Fund may: (a) reduce the *Matching Funds* requirement by up to 50 percent; or (b) in the case of an applicant that has total assets of less than \$100,000, serves a non-metropolitan area, and is requesting \$25,000 or less in assistance, permit the applicant to provide *Matching Funds* in a form to be determined at the discretion of the Fund.

If applying for a severe constraints waiver, provide a justification, indicating the cause and extent of the constraints on raising *Matching Funds*, efforts to date, results, and projections for raising *Matching Funds*, and a description of the *Matching Funds* expected to be raised. The Fund will grant a severe constraints waiver only in exceptional circumstances when the applicant demonstrates, to the satisfaction of the Fund, that an *Investment Area(s)* or *Targeted Population(s)* would not be adequately served without the waiver.

I. Community Development Impact

Maximum Points: 10.

1. **Activities Level and Impact and Performance Charts:** Complete the five-year projections section of the Activities Level Chart (found on page 43), showing the annual volume of products and services the applicant plans to deliver, assuming that requested Fund assistance and *Matching Funds* are secured.

For at least two of the quantitative community development impacts, complete the five-year projections in the Impact and Institutional Performance Chart (found on page 44). To the extent possible, also complete the three-year historical figures. Each applicant must include a minimum of two impacts in the Chart.

NOTE: For applicants that are selected to receive a Fund award, the five-year annual projections and the three-year historical figures presented in this section will be used to develop performance goals. Therefore, **applicants are cautioned to be as realistic as possible in their projected activity and impact levels.**

For previous awardees, the Fund recommends including indicators in the Activities Level and Impact and Institutional Performance Charts that were not included in previous *Assistance Agreement(s)*. To the extent this is not possible, in general the Fund expects the benchmarks to be higher than in the previous *Assistance Agreement(s)*.

2. **Provide a brief narrative discussing the following items:**

Projections: Discuss the projections in the Activities Level Chart and Impact and Institutional Performance Chart. If projected activity levels are lower than past levels or do not increase each year, explain why. For previous awardees, if the projected activity levels are not higher than activity levels in past *Assistance Agreement(s)* with the Fund, explain why.

Target Market Activities: Discuss the extent to which your organization will concentrate its activities and resources in its *Target Market*. For applicants with a prior history of serving a *Target Market*, including previous awardees, discuss how your organization will: (1) increase the volume of activity; (2) offer more products and services; and/or (3) expand operations into a new *Target Market*.

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Impact: Discuss community development impacts that your organization's products and services are expected to generate over the next five years, particularly within the designated *Target Market*. The impacts may be qualitative (such as improving the lives of customers or creating an environment that will attract businesses into a community) or quantitative (such as the development of new units of affordable housing, jobs created, or dollars leveraged by the applicant's investments). Discuss the systems and methodologies that you use to measure and evaluate impact or your plans to develop such systems, particularly with regard to measuring the impacts listed in the Impact and Institutional Performance Chart.

Community Ownership and Governance: If applicable, describe the extent to which the applicant is or will become *Community Owned* or *Community Governed*.

Risks and Assumptions: Discuss key assumptions underlying the various elements of the *Comprehensive Business Plan*. Assess the risks and significant impediments to the applicant in carrying out its strategy and its plan for mitigating those risks and impediments.

J. Schedule

Maximum Points: 0.

Present a timeline for carrying out the *Comprehensive Business Plan* (e.g. introduction of new products and services, hiring new staff, training staff, raising needed capital, procuring equipment).

NOTE: This timeline does not get scored separately during review of this funding application. Rather, the timeline allows application reviewers to get a better sense of the applicant's schedule for implementing its *Comprehensive Business Plan*.

Section K will be used to evaluate the extent to which the applicant will maximize the effective use of the Fund's resources. This section will be evaluated and scored for a maximum of 10 points. Suggested length: 2 pages.

K. Effective Use of CDFI Fund Resources

Maximum Points: 10.

Provide a narrative discussing the following items:

1. Discuss why a Fund award is needed to carry out the applicant's *Comprehensive Business Plan*.
2. Discuss what modifications, if any, the applicant would make to its *Comprehensive Business Plan* if it did not receive a Fund award. In the case of an applicant with *Affiliates*, identify the *Affiliates* and discuss their ability to provide financial support to the applicant.
3. For applicants with a high level of resources available for its financing and/or operating activities, address the question of whether the Fund award is needed at this point given that the applicant has resources available to meet the needs of its market.
4. Discuss why the applicant should receive a Fund award given the Fund's limited resources (e.g. Will the award enable the applicant to increase its activity in the *Target Market*? Is the applicant proposing new products and services which would not only enhance its ability to serve its *Target Market* but also benefit the CDFI field? Will the award attract additional resources to the *Target Market*?).
5. In the case of an applicant that has previously received assistance from the CDFI Fund, discuss the extent to which the applicant has been successful in meeting performance goals, financial soundness covenants, and other requirements described in its previous *Assistance Agreement(s)*. Explain what additional benefits will be

Community Development Financial Institutions Fund

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created with new Fund assistance over and above benefits created by previous Fund assistance. Specifically, address why you are requesting additional funding from the CDFI Fund.

- 6. For Intermediary Component applicants:** Describe the extent to which your assistance to CDFIs provides additional benefits especially to small and emerging CDFIs, that are not provided by the activities of the CDFI Fund.

NOTE: In evaluating Section K, the Fund will also consider the extent of economic distress in the applicant's *Target Market* as described in Section F. Market Analysis.

Comprehensive Business Plan Charts

Applicants must complete the following charts, which are included at the end of this section:

1. Activities Level Chart
2. Impact and Performance Chart
3. Loan Portfolio Quality Chart*
4. Financial Data Input Chart*
5. Key Financial Trends and Ratios Chart*
6. *Matching Funds* Summary Chart (unless applying for technical assistance only)

Note: Electronic versions of these charts can be found at www.treas.gov/cdfi.

* Instead of this chart, *Insured Credit Unions* may submit their Financial Performance Ratios and *Insured Depository Institutions* may submit their Uniform Bank Performance Reports for the most recent three years available.

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Activities Level Chart

Instructions: For each type of lending or Equity Investment activity (business, housing, facilities, etc.), provide an appropriate measure of volume, such as the annual number and dollar amount of loans closed, dollars outstanding at year end, etc. CDFI Intermediaries should include grants to CDFIs and/or emerging CDFIs and deposits in insured CDFIs and/or emerging insured CDFIs. For each type of Development Service (business training, homeowner training, etc.), provide an appropriate measure of activity level, such as the number of clients to complete a training course, the number of clients receiving technical assistance, the number of staff hours spent providing technical assistance. For Financial Services (savings accounts, checking accounts, IDAs, etc.), provide an appropriate measure of activity level, such as the number of accounts opened each year. The five-year projections should correspond to the five-year period covered under the Comprehensive Business Plan, and the three-year historical figures should reflect activities undertaken in each of the applicant's past three completed fiscal years.

Activity	Actual			Projected			Est. Cumulative % to Target Market
	FY ____	FY ____	FY ____	FY ____	FY ____	FY ____	
A. Lending or Equity Investments							
B. Financial Services							
C. Development Services							

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Impact and Institutional Performance Chart

Instructions:

A. Impact. List at least two indicators that the applicant uses to measure the community development impact of its products and services. For each, provide historic levels (if available) and five-year projections. The five-year projections should correspond to the five-year period covered under the Comprehensive Business Plan, and the historic levels should reflect activities undertaken in each of the applicant's past three completed fiscal years. Some examples of impact indicators include: number of affordable housing units developed; number of distressed properties renovated; number of child care spaces developed; number of jobs created or retained through the applicant's financing; average increase in business revenues generated by business or microenterprise borrowers; average increase in family income of business or microenterprise borrowers; number of first-time homebuyers receiving mortgage loans; dollar amount of first mortgages originated by third-party lenders in which the applicant holds the second mortgage; number of savings accounts opened by individuals who have not previously had a savings account; etc. Some examples of impact indicators for CDFI Intermediaries include: dollar amount of capital under management by the Intermediary's borrowers/investees; and amount of loans/Equity Investments outstanding held in portfolios of all of the Intermediary's borrowers/investees. The Fund does NOT consider number of loans or dollar amount to be an impact indicator.

B. Institutional Performance (optional). For each institutional performance goal that the applicant would like to be considered as a potential performance goal in its Assistance Agreement, provide annual five-year projections and, to the extent possible, annual three-year historical figures. The five-year projections should correspond to the five-year period covered under the Comprehensive Business Plan, and the three year historical figures should reflect activities undertaken in each of the applicant's past three completed fiscal years. Institutional performance goals may include, for example, Self-Sufficiency Ratio, Total Assets, Net Assets, Deployment Ratio, Delinquency Ratio, etc.

Indicator	Actual			Projected			Est. Cumulative % to Target Market
	FY _____	FY _____	FY _____	FY _____	FY _____	FY _____	
A. Impact							
B. Institutional Performance (optional)							N/A
							N/A
							N/A

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See page 37 for instructions.

Loan Portfolio Quality Chart

Loan Portfolio Aging Schedule			End of FY ____		End of FY ____		End of FY ____	
Non-Regulated Institutions	Insured Credit Unions	Bank & Thrifts	Number	Principal Outstanding	Number	Principal Outstanding	Number	Principal Outstanding
a 31 to 60 days	2 to 6 months	30 to 89 days		\$		\$		\$
b 61 to 90 days	6 to 12 months	90+ days		\$		\$		\$
c 90+ days	12 months or more	Total Non-Accrual Loans		\$		\$		\$
d Gross Loans Receivable (or Total Loans) with payments past due (sum of a thru c)				\$		\$		\$
e Portfolio-at-Risk or Delinquency Ratio (d divided by f)				%		%		%
Loan Loss Experience			End of FY ____		End of FY ____		End of FY ____	
f Total Outstanding Loan Portfolio			\$		\$		\$	
g Net Write-Offs or Net Charge-Offs			\$		\$		\$	
h Annual Net Loan Loss Ratio (g divided by f)				%		%		%
i Loan Loss Reserve (cash reserves)			\$		\$		\$	
j Loan Loss Reserve (accrual)			\$		\$		\$	
k Loan Loss Reserve Ratio (sum of i plus j divided by f)				%		%		%

Note: Insured Credit Unions may submit their NCUA Financial Performance Ratios for the three most recent years available in place of this chart. Insured Depository Institutions may submit their Uniform Bank Performance Reports for the three most recent years available in place of this chart.

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Part III. *Comprehensive Business Plan*

Instructions:

- (1) Refer to Glossary for definitions of terms in *Capitalized Italics*.
- (2) Report data on the applicant's three most recently completed fiscal years.

Financial Data Input Chart

		End of FY ____	End of FY ____	End of FY ____	
ASSETS	l	Cash, cash equivalents & marketable securities	\$	\$	\$
	m	<i>Total Current Assets</i>	\$	\$	\$
	n	<i>Total Commitments</i>	\$	\$	\$
	o	<i>Total Outstanding Loan Portfolio and/or Total Outstanding Equity Investment Portfolio</i>	\$	\$	\$
	p	<i>Total Assets</i>	\$	\$	\$
LIABILITIES	q	<i>Total Current Liabilities</i>	\$	\$	\$
	r	<i>Total Adjusted Notes Payable (non-regulated non-profit only)</i>	\$	\$	\$
	s	<i>Total Member Shares (Insured Credit Unions only)</i>	\$	\$	\$
	t	<i>Total Non-Member Shares (Insured Credit Unions only)</i>	\$	\$	\$
	u	<i>Total Deposits (banks & thrifts only)</i>	\$	\$	\$
	v	<i>Total Liabilities</i>	\$	\$	\$
EQUITY	w	<i>Net Assets (non-regulated non-profits) Net Capital (Insured Credit Unions) Net Worth (non-regulated for-profits) Total Equity (banks & thrifts)</i>	\$	\$	\$
	x	<i>Total Equity Capital Available for Financing (non-regulated non-profits only)</i>	\$	\$	\$
	y	<i>Total Off-Balance Sheet Resources</i>	\$	\$	\$
INC&EXP	z	<i>Total Earned Income (non-regulated non-profits or for-profits or insured credit unions)</i>	\$	\$	\$
	aa	Total grants and contributions	\$	\$	\$
	bb	<i>Total Expenses</i>	\$	\$	\$

Note: *Insured Credit Unions* may submit their NCUA Financial Performance Ratios for the three most recent years available in place of this chart. *Insured Depository Institutions* may submit their Uniform Bank Performance Reports for the three most recent years available in place of this chart.

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Key Financial Trends and Ratios Chart

Instructions:

- (1) Refer to Glossary for definitions of terms in *Capitalized Italics*.
- (2) Report data on the applicant's three most recently completed fiscal years.

Indicator		End of FY ____	End of FY ____	End of FY ____
CAPITAL	<i>Net Asset Ratio</i> (non-regulated non-profits)	%	%	%
	<i>Net Capital Ratio</i> (<i>Insured Credit Unions</i>)			
	<i>Net Worth Ratio</i> (non-regulated for-profits)			
	<i>Tier 1 Leverage Capital Ratio</i> (banks & thrifts) (w divided by p)			
DEPLOYMENT	<i>Loan-to-Asset Ratio</i> and/or <i>Equity Investment-to-Asset Ratio</i> (all applicants except non-regulated non profits) (o divided by p)	%	%	%
	<i>Deployment Ratio</i> ¹ (non-regulated non-profits only) (o divided by the sum of r and x)	%	%	%
EARNINGS	<i>Net Income</i> (all applicants) (Sum of z and aa less bb)	\$	\$	\$
	<i>Self-Sufficiency Ratio</i> (non-regulated non-profits & for-profits only) (z divided by bb)	%	%	%
LIQUIDITY	<i>Operating Liquidity Ratio</i> (non-regulated non-profits & for-profits) (l divided by the product of bb multiplied by .25)	%	%	%
	<i>Loan-to-Share Ratio</i> (<i>Insured Credit Unions</i>) <i>Loan-to-Deposit Ratio</i> (banks & thrifts) (o divided by s or u)	%	%	%
	<i>Capital Liquidity Ratio</i> (non-regulated non-profits & for-profits only) (m divided by q)	%	%	%

Note: *Insured Credit Unions* may submit their NCUA Financial Performance Ratios for the three most recent years available in place of this chart. *Insured Depository Institutions* may submit their Uniform Bank Performance Reports for the three most recent years available in place of this chart.

- ¹ This ratio indicates the extent to which debt capital and equity capital are actually deployed in loans and/or equity investments. In considering the amount of capital available for lending and investments, the Fund will also consider the amount of *Total Commitments*.

Community Development Financial Institutions Fund

Part III. *Comprehensive Business Plan*

Attach additional sheets as necessary

Matching Funds Summary Chart

Non-Federal Sources of Match	Grant (not including Retained Earnings) ¹	Loan	Equity Investment (for-profit only)	Deposits/ Shares	Secondary Capital (credit unions only)
<i>Matching Funds In Hand</i> from the beginning of the <i>Matching Funds Period</i> ² to date					
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
Subtotal:	\$	\$	\$	\$	\$

¹ See pages 50-51.

² See applicable NOFA for the *Matching Funds Period* dates.

Community Development Financial Institutions Fund

Part III. Comprehensive Business Plan

Matching Funds Summary Chart (continued)

Non-Federal Sources of Match	Grant (not including Retained Earnings) ¹	Loan	Equity Investment (for-profit only)	Deposits/ Shares	Secondary Capital (credit unions only)
<i>Matching Funds Committed but not In Hand</i> from the beginning of the <i>Matching Funds Period</i> ² to date					
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
Subtotal:	\$	\$	\$	\$	\$
<i>Other Matching Funds Projected for Commitment</i> prior to the end of the <i>Matching Funds Period</i>					
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$
Subtotal:	\$	\$	\$	\$	\$
Total:	\$	\$	\$	\$	\$

¹ See pages 50-51.

² See applicable NOFA for the *Matching Funds Period* dates.

Community Development Financial Institutions Fund

Part III. *Comprehensive Business Plan*

Retained Earnings (if applicable¹)

Step 1—Choose the chart according to the applicant's organizational type: For-profit, Non-profit (excluding *Insured Credit Unions*) or *Insured Credit Unions*.

Step 2—Determine whether the applicant will designate:

- a) the increase in *Retained Earnings* over the applicant's most recent fiscal year;
- b) the annual average increase in *Retained Earnings* over the applicant's three most recent fiscal years; or
- c) in the case of a *Insured Credit Unions*, *Retained Earnings* accumulated since its inception.

Step 3—Fill out the applicable sections. For choice a), fill in only the column "Increase over Most Recent Fiscal Year." For choice b), fill in the three "Increase Over Fiscal Year" columns. For choice c), fill in only the column "Since Inception." Except for *Insured Credit*

Unions under choice c), remember to count ONLY the increases over the applicable fiscal year.

Step 4—For *Insured Credit Unions* under choice c), the applicant must ALSO raise its *Total Member/Nonmember Shares* by four times the designated *Retained Earnings* amount within 24 months of September 30th of the calendar year in which the applicant is selected to receive an award. For example, if *Retained Earnings* since inception is equal to \$50,000 and the applicant designates the entire amount as match, the applicant must raise its *Total Member/Nonmember Shares* by \$200,000. The baseline level of member/nonmember shares will be calculated as of September 30 of the calendar year in which the applicant is selected to receive an award. Applicants using *Retained Earnings* under choice c) must include a narrative under the matching funds section of the application (Part III-H.) discussing its strategy for raising the required shares.

Matching Funds Summary Chart for *Retained Earnings*: Non-Profits Only

	Increase over Most Recent Fiscal Year	Increase over Fiscal Year (2 years prior)	Increase over Fiscal Year (3 years prior)
1. Increase in Net Assets	\$	\$	\$
2. Value of grants and donated assets	\$	\$	\$
3. Value of <i>Retained Earnings</i> used to match a Federal grant or previous Fund award	\$	\$	\$
4. <i>Retained Earnings</i> : Row 1 minus Row 2 and 3	\$	\$	\$
Annual Average <i>Retained Earnings</i> : Add across Row 4 and divide by three	\$		

¹ Only those applicants seeking to use *Retained Earnings* as *Matching Funds* need to complete this portion of the *Matching Funds* Summary Chart.

Community Development Financial Institutions Fund

Part III. Comprehensive Business Plan

Matching Funds Summary Chart for Retained Earnings: For Profits Only

	Increase over Most Recent Fiscal Year	Increase over Fiscal Year (2 years prior)	Increase over Fiscal Year (3 years prior)
1. Increase in <i>Retained Earnings</i>	\$	\$	\$
2. After-tax value of grants and donated assets	\$	\$	\$
3. Value of <i>Retained Earnings</i> used to match a Federal grant or previous Fund award	\$	\$	\$
4. <i>Retained Earnings</i> : Row 1 minus Row 2 and 3	\$	\$	\$
Annual Average <i>Retained Earnings</i> : Add across Row 4 and divide by three	\$		

Matching Funds Summary Chart for Retained Earnings: Insured Credit Unions Only

	Since Inception	Increase over Most Recent Fiscal Year	Increase over Fiscal Year (2 years prior)	Increase over Fiscal Year (3 years prior)
1. Regular Reserves	\$	\$	\$	\$
2. Other Reserves	\$	\$	\$	\$
3. Undivided Earnings	\$	\$	\$	\$
4. Subtotal (Sum of Row 1 through 3):	\$	\$	\$	\$
5. Reserves Dedicated for Losses	\$	\$	\$	\$
6. Value of grants and donated assets placed in <i>Retained Earnings</i> ¹	\$	\$	\$	\$
7. Value of <i>Retained Earnings</i> used to match a Federal grant or previous Fund Award	\$	\$	\$	\$
8. Subtotal (Sum of Row 5 through 7):	\$	\$	\$	\$
9. Available <i>Retained Earnings</i> (Row 4 minus Row 8)	\$	\$	\$	\$
Designated <i>Retained Earnings</i> since inception (must be equal to or less than Row 9)	\$			
Annual Average <i>Retained Earnings</i> : Add the last three columns of Row 9 and divide by three	\$			

¹ Include only grants and donated assets.

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Glossary of Terms

TERMS	DEFINITIONS
Affiliate	Any company or entity that controls, is controlled by, or is under common control with another company.
Annual Net Loan Loss Ratio	The <i>Annual Net Loan Loss Ratio</i> is calculated by dividing <i>Net Write-Offs or Net Charge-Offs</i> by <i>Total Outstanding Loan Portfolio</i> . The <i>Annual Net Loan Loss Ratio</i> represents the portion of an organization's <i>Total Outstanding Loan Portfolio</i> that is so delinquent that it has been deemed uncollectable and assumed to be a loss.
Arms-Length Transaction	A transaction with an entity other than an <i>Affiliate</i> .
Assistance Agreement	A written agreement between the Fund and an awardee specifying the terms and conditions of assistance including, without limitation, performance goals and financial soundness covenants, if applicable.
Authorized Representative	An officer, or other individual, who has the actual authority to sign for and make representations on behalf of the applicant.
Average Outstanding Loan Portfolio	<i>Average Outstanding Loan Portfolio</i> is calculated by averaging the organization's <i>Total Outstanding Loan Portfolio</i> between two points in time. For example, <i>Average Outstanding Loan Portfolio</i> in 1997 equals <i>Total Outstanding Loan Portfolio</i> at 12/31/96 plus <i>Total Outstanding Loan Portfolio</i> at 12/31/97 divided by 2. The <i>Average Outstanding Loan Portfolio</i> reflects the average amount of loans disbursed by an organization to its borrowers throughout the course of the organization's fiscal year.
Capital Liquidity Ratio	The sum of cash, cash equivalents, marketable securities and total current loans receivable divided by Current Liabilities. The <i>Capital Liquidity Ratio</i> is a gross indicator of asset-liability matching and indicates whether an organization has sufficient resources to pay its current obligations to its sources of debt capital.
Closed	See <i>Loan Closed</i> or <i>Equity Investment Closed</i> .
Committed Matching Funds	<i>Matching Funds</i> for which the applicant has received a written, legally binding commitment from the funder specifying, at a minimum, the level of funding that the funder will provide the applicant, the date by which the funds will be disbursed to the applicant, and any terms or conditions thereof (including, in the case of a loan, the interest rate and maturity date).
CDFI Intermediary	An entity whose primary business activity is the provision of <i>Financial Products</i> to CDFIs and/or emerging CDFIs and that meets the CDFI certification eligibility requirements.
Community-Governed	An entity with respect to which the residents of an <i>Investment Area(s)</i> or members of a <i>Targeted Population(s)</i> represent greater than 50% of the governing body.

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Community-Owned	An entity with respect to which the residents of an <i>Investment Area(s)</i> or members of a <i>Targeted Population(s)</i> have an ownership interest of greater than 50%.
Community Partner	An entity (other than an individual) that provides loans, <i>Equity Investments</i> , or <i>Development Services</i> and enters into a <i>Community Partnership</i> with an applicant. A <i>Community Partner</i> may include a <i>Depository Institution Holding Company</i> , an <i>Insured Depository Institution</i> , an <i>Insured Credit Union</i> , a non-profit or for-profit organization, a State or local government entity, a quasi-government entity, or an investment company authorized pursuant to the Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.).
Community Partnership	An agreement between an applicant and a <i>Community Partner</i> to collaboratively provide loans, <i>Equity Investments</i> , or <i>Development Services</i> to an <i>Investment Area(s)</i> or a <i>Targeted Population(s)</i> .
Comprehensive Business Plan	A business plan of a minimum of five years that covers an organization's past and projected community development impact, past and projected financial performance, management capacity, operational capacity, market analysis, program design and implementation plan.
Delinquency Ratio	The total dollar amount of loans with payments 30 days or more past due divided by the <i>Total Outstanding Loan Portfolio</i> (or <i>Total Loans</i> , in the case of banks or thrifts). Past due loans include the <u>entire</u> outstanding balance of loans with payments that are past due. Loans should be considered past due if <u>any</u> part of the payment is past due. In the case of a non-regulated for-profit or non-profit organization, the <i>Delinquency Ratio</i> is measured using a schedule of the aging of total loan receivables at 30, 60 and 90 days. In the case of <i>Insured Credit Unions</i> , the aging schedule is calculated at 2 months, 6 months and 12 months. In the case of banks and thrifts, the aging schedule is calculated at 31, 61 and 90 days or more. Banks and thrifts also have a category of loans called non-accrual loans for which the banks and thrifts are no longer accruing interest due to the borrowers' poor payment performance. The <i>Delinquency Ratio</i> is also commonly known as the <i>Portfolio-at-Risk</i> .
Deployment Ratio	<i>Total Outstanding Loan Portfolio</i> and/or <i>Total Outstanding Equity Investment Portfolio</i> divided by <i>Total Financing Capital</i> (the sum of <i>Total Adjusted Notes Payable</i> and <i>Total Equity Capital Available for Financing</i>). The <i>Deployment Ratio</i> indicates the extent to which debt capital and equity capital (both restricted and unrestricted) are actually deployed in loans or <i>Equity Investments</i> , and serves as an indicator of how aggressive an organization has been in using available capital.
Depository Institution Holding Company	A bank holding company or a savings and loan holding company as defined in Section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813 (w)(1)).
Development Services	Activities that promote community development and are integral to the applicant's provision of <i>Financial Products</i> . Such services shall prepare or assist current or potential borrowers or investees to utilize the <i>Financial Products</i> of the applicant. Such services include, for example: <ol style="list-style-type: none">(1) Financial or credit counseling to individuals for the purpose of facilitating home ownership, promoting self-employment, or enhancing consumer financial management skills; or(2) Technical assistance to borrowers or investees for the purpose of enhancing business planning, marketing, management, and financial management skills.

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Equity Investment	An investment made by an applicant which, in the judgment of the Fund, directly supports or enhances activities that serve an <i>Investment Area(s)</i> or a <i>Targeted Population(s)</i> . Such investment must be made through an <i>Arms-Length Transaction</i> . An <i>Equity Investment</i> includes a stock purchase, a purchase of a partnership interest, a purchase of a limited liability company membership interest, a loan made on such terms that it has sufficient characteristics of equity (and is considered as such by the Fund); or any other investment deemed to be an <i>Equity Investment</i> by the Fund.
Equity Investment Closed	An <i>Equity Investment</i> is <i>Closed</i> when a legally binding investment document has been signed by the investee in favor of the investor.
Equity Investment-to-Asset Ratio	The <i>Total Outstanding Equity Investment Portfolio</i> divided by <i>Total Assets</i> . If an organization does not own significant non- <i>Equity Investment</i> assets (e.g. real estate), the <i>Equity Investment-to-Asset Ratio</i> may serve as an indicator of the extent to which an organization's assets are available for making <i>Equity Investments</i> and how aggressive an organization has been in investing available capital.
Financial Products	Loans, <i>Equity Investments</i> , and in the case of <i>CDFI Intermediaries</i> , grants to CDFIs and/or emerging CDFIs and deposits in <i>Insured Credit Union</i> CDFIs and/or emerging <i>Insured Credit Union</i> CDFIs. <i>Financial Products</i> are made through <i>Arms-Length Transactions</i> to third parties using the CDFI's own capital.
Financial Services	Checking or savings accounts, check cashing, money orders, certified checks, automated teller machines, deposit-taking and safe deposit box services.
Financial Statements	Financial reports that reflect the financial condition of an organization at a specific point in time. In the case of a non-regulated for-profit, bank, thrift or <i>Insured Credit Union</i> , such statements consist of a balance sheet, income and expense statement, and statement of cash flows (optional for <i>Insured Credit Unions</i>). In the case of a non-regulated non-profit, such statements consist of a statement of financial condition, statement of activities and statement of cash flows.
Financing Entity	<p>An entity whose predominant business activity is the provision, in <i>Arms-Length Transactions</i>, of <i>Financial Products</i>, <i>Development Services</i>, and/or other similar financing. An applicant may demonstrate that it is such an entity if it is a(n):</p> <ol style="list-style-type: none">(1) <i>Depository Institution Holding Company</i>;(2) <i>Insured Depository Institution</i> or <i>Insured Credit Union</i>; or(3) An organization which is deemed by the Fund to have such a predominant business activity as a result of analysis of its , organizing documents, and any other information required to be submitted as part of its application.
Financing Related Activities	<p>Activities that support the applicant's provision of <i>Financial Products</i>, including:</p> <ol style="list-style-type: none">(1) Pre-development grants, provided that, in the opinion of the Fund, they are offered to the applicant's borrowers or potential borrowers in order to enhance such borrowers' or potential borrowers' ability to use the applicant's lending or investment products; and(2) The provision of loan packaging, provided that, in the opinion of the Fund, the applicant is financing more than a nominal portion of the loan that is being packaged for another lender.

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Full-Time Equivalent (FTE)	An employee that works at least a 40-hour work week. In calculating the number of <i>Full-Time Equivalents</i> , part-time employees should be aggregated to full-time equivalents (e.g. two part-time employees that each work 20 hours per week may be aggregated to count as one <i>Full-Time Equivalent</i> .)
Geographic Units	A unit(s) within an <i>Investment Area</i> that is a county (or equivalent area), minor civil division that is a unit of local government, incorporated place, census tract, block numbering area, block group, or American Indian or Alaska Native area (as such units are defined or reported by the U.S. Bureau of the Census). However, <i>Geographic Units</i> in metropolitan areas that are used to comprise an <i>Investment Area</i> shall be limited to census tracts, block groups and American Indian or Alaskan Native areas.
Gross Loans Receivable	<i>Gross Loans Receivable</i> is defined as the <i>Total Outstanding Loan Portfolio</i> at the end of a period. Loans outstanding shall equal the aggregate dollar amount of all loans receivable without giving effect to any allowance for the collectability thereof (i.e. before deducting for <i>Loan Loss Reserves</i>). <i>Gross Loans Receivable</i> may also be referred to as <i>Total Loans</i> in the case of banks or thrifts.
In-Hand Matching Funds	<i>Matching Funds</i> that the applicant has received.
Insured Credit Union	Any credit union, the member accounts of which are insured by the National Credit Union Share Insurance Fund.
Insured Depository Institution	Any bank or thrift, the deposits of which are insured by the Federal Deposit Insurance Corporation.
Investment Area	<p>A <i>Target Market</i> made up of a <i>Geographic Unit</i> or contiguous <i>Geographic Units</i> that:</p> <ol style="list-style-type: none">(1) Are entirely located within the geographic boundaries of the <i>United States</i> and either:(2) Meet at least one of the criteria of economic distress as defined under 12 CFR §1805.201(b)(3)(ii)(D) and has significant unmet needs for loans or <i>Equity Investments</i> as described under 12 CFR §1805.201(b)(3)(E); or(3) Encompass or are located in an Empowerment Zone (EZ) or Enterprise Community (EC).
Loan Loss Reserves	<i>Loan Loss Reserves</i> are funds set aside in the form of cash reserves or through accounting-based accrual reserves that serve as a cushion to protect an organization against potential future losses.
Loan Loss Reserve Ratio	The total dollar amount of <i>Loan Loss Reserves</i> divided by the <i>Total Outstanding Loan Portfolio</i> . The <i>Loan Loss Reserve Ratio</i> describes the amount of an organization's <i>Total Outstanding Loan Portfolio</i> that it assumes it may lose. The <i>Loan Loss Reserve Ratio</i> is also known as the Loan Loss Allowance to <i>Insured Credit Unions</i> , and is defined by the National Credit Union Administration.
Loan Closed	A loan is counted as <i>Closed</i> when a legally binding note has been signed by the borrower in favor of the lender.

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Loan-to-Asset Ratio	<i>Total Outstanding Loan Portfolio</i> divided by <i>Total Assets</i> . If an organization does not own significant non-lending assets (e.g. real estate), this ratio may serve as an indicator of the extent to which an organization's assets are available for lending and how aggressive an organization has been in its loan production.
Loan-to-Deposit Ratio	<i>Total Outstanding Loan Portfolio</i> divided by the total dollar value of deposit liability accounts held by a bank or thrift. The <i>Loan-to-Deposit Ratio</i> is a key indicator for banks and thrifts that is evaluated by regulators and community groups. The <i>Loan-to-Deposit Ratio</i> is used to assess the extent to which deposit liability accounts held by a bank or thrift are being used to make loans. In addition, this ratio may also be used as a liquidity indicator (i.e., how much of a bank's or thrift's primary source of funds available for lending (deposits) are loaned, and therefore, currently unavailable to be lent).
Loan-to-Share Ratio	<i>Total Outstanding Loan Portfolio</i> divided by the sum of the dollar value of <i>Total Member Shares</i> and <i>Total Non-Member Shares</i> . The <i>Loan-to-Share Ratio</i> is a key indicator for <i>Insured Credit Unions</i> that are evaluated by the National Credit Union Administration (NCUA). The <i>Loan-to-Share Ratio</i> is used to assess the extent to which deposit liability accounts held by an <i>Insured Credit Union</i> are being used to make loans. In addition, this ratio is used by NCUA as a liquidity measure because it indicates the extent to which an <i>Insured Credit Union's</i> deposit liabilities are being used to fund its lending activities.
Low-Income	An annual income, adjusted for family size, of not more than: (1) For metropolitan areas, 80% of the area median family income; and (2) For non-metropolitan areas, the greater of: (i) 80% of the area median family income; or (ii) 80% of the statewide non-metropolitan area median family income.
Low-Income Designated Credit Union	A <i>Low-Income Designated Credit Union</i> is a credit union designated as such by the appropriate National Credit Union Administration Regional Director in accordance with the criteria set forth in 12 C.F.R. § 701.34.
Low-Income Targeted Population	A <i>Target Market</i> that is made up of individuals who are <i>Low-Income</i> and who reside within the boundaries of the <i>United States</i> .
Matching Funds	All financial (as opposed to technical) assistance awarded under the Core and Intermediary Components of the CDFI Program shall be matched with funds from sources other than the Federal government on the basis of not less than one dollar for each dollar provided by the CDFI Fund. Funds that have been used to satisfy a legal requirement for obtaining funds under either the CDFI Program or another Federal grant or award program may not be used to satisfy the matching funds requirements. Community Development Block Grant Program and other funds provided pursuant to the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 et seq.), shall be considered Federal government funds and shall not be used to meet the matching requirements.
Multi-Bank Community Development Corporation (CDC)	In general, a for-profit or nonprofit organization in which multiple <i>Insured Depository Institutions</i> collectively play a role in the governance (e.g., comprising a majority of the board of directors), the investment decisions, and/or the capitalization of the entity.

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Net Assets	<i>Total Assets less Total Liabilities as reported in an organization's statement of financial condition. Net Assets is applicable to non-profit organizations and indicates the extent to which an organization's Total Assets exceed its Total Liabilities.</i>
Net Asset Ratio	<i>Net Assets divided by Total Assets. The Net Asset Ratio serves as an indicator of the underlying financial strength of a non-profit organization's equity base relative to its Total Assets and whether it has sufficient equity to cover unexpected losses.</i>
Net Capital	<i>Net Capital is applicable to Insured Credit Unions and has the same meaning as defined by the National Credit Union Administration.</i>
Net Capital Ratio	<i>The total dollar value of an Insured Credit Union's Net Capital divided by its Total Assets. The Net Capital Ratio serves as an indicator of the strength of an Insured Credit Union's equity base relative to total assets and whether it has a sufficient cushion to cover unexpected losses. Insured Credit Unions must maintain a minimum Net Capital Ratio established by the National Credit Union Administration.</i>
Net Charge-Off	<i>The total dollar amount of loans that are determined to be a loss or non-recoverable during the course of an organization's fiscal year and taken off the books less loan amounts charged-off but later collected. A Net Charge-Off is also known as a Net Write-Off to non-regulated organizations.</i>
Net Income	<i>Net Income is calculated from a for-profit organization's income and expense statement or a non-profit organization's statement of activities by subtracting Total Expenses for each fiscal year from Total Revenue or income (including grants or other contributions received). In the case of a for-profit organization, Net Income is often called Net Revenue. In calculating Net Revenue, a for-profit organization should deduct total pre-tax expenses from total revenue. In the case of a non-regulated organization, Net Income is the sum of Total Earned Income and total grants and contributions minus Total Expenses. For banks and thrifts, Net Income is defined as the sum of net interest income and net non-interest income less extraordinary items (if any). In the case of an Insured Credit Union, Net Income or loss is the same as reported on the NCUA 5300. Net Income measures whether an organization has the resources to pay its annual operating expenses. Trends in Net Income are an indicator of the financial solvency of an organization.</i>
Net Worth	<i>The total dollar value of a for-profit organization's equity and is comprised of the sum of common stock, paid-in capital and Retained Earnings. Net Worth is the equity base of a regulated bank or thrift and other unregulated for-profit organization and its underlying financial strength. Net Worth is also commonly known as Total Equity.</i>
Net Worth Ratio	<i>The total dollar value of a for-profit organization's Net Worth divided by its Total Assets. The Net Worth Ratio serves as an indicator of the strength of an organization's equity base relative to Total Assets and whether it has a sufficient cushion to cover unexpected losses. The Net Worth Ratio is also commonly known as the Equity Ratio.</i>
Net Write-Off	<i>Total dollar amount of loans that are determined to be a loss or non-recoverable during the course of an organization's fiscal year and taken off the books less loan amounts written-off but later collected. A Net Write-Off is also known as a Net Charge-off to Insured Credit Unions, and banks and thrifts.</i>

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Operating Liquidity Ratio	The sum of cash, cash equivalents and marketable securities divided by the product of <i>Total Expenses</i> multiplied by .25. The <i>Operating Liquidity Ratio</i> is a measure of the extent to which an organization has sufficient operating reserves on hand to pay its expenses. A ratio of 1.0 or greater means that an organization has at least 3 months of liquid assets on hand to cover three months of expenses. A ratio of less than 1.0 means that an organization may be experiencing operating liquidity problems and has insufficient operating reserves.
Other Targeted Population	A <i>Target Market</i> that is made up of an identifiable group of individuals who lack adequate access to loans or <i>Equity Investments</i> in the applicant's service area and who reside within the boundaries of the <i>United States</i> . Such a <i>Targeted Population</i> may be comprised of persons who have historically been denied access to loans or <i>Equity Investments</i> due to factors, including gender, race, ethnicity, national origin, and creed.
Past Due Loans	<i>Gross Loans Receivable</i> or <i>Total Loans</i> with payments 30 days or more past due (2 months for <i>Insured Credit Unions</i>). Loans should be considered past due if any part of the payment is past due.
Portfolio-at-Risk	The total dollar amount of loans with payments 30 days or more past due divided by the <i>Total Outstanding Loan Portfolio</i> . The <i>Portfolio-at-Risk</i> is calculated based on <i>Past Due Loans</i> and includes the <u>entire</u> outstanding balance of loans with payments that are past due. Loans should be considered past due if <u>any</u> part of the payment is past due. In the case of a for-profit or non-depository non-profit organizations, the <i>Portfolio-at-Risk</i> is measured using a schedule of the aging of total loan receivables at 30, 60 and 90 days. In the case of <i>Insured Credit Unions</i> , the aging schedule is calculated at 2 months, 6 months and 12 months. Banks and thrifts also have a category of loans called non-accrual for which the banks and thrifts are no longer accruing interest due to poor payment performance. The <i>Portfolio-at-Risk</i> is also commonly known as the <i>Delinquency Rate</i> .
Retained Earnings	<p>An applicant may propose to meet all or a portion of its <i>Matching Funds</i> requirements by committing available earnings retained from its operations. <i>Retained Earnings</i> accumulated after the end of the applicant's most recent fiscal year ending prior to the appropriate application deadline may not be used as <i>Matching Funds</i>.</p> <ol style="list-style-type: none">(1) In the case of a for-profit applicant, <i>Retained Earnings</i> that may be used for matching an <i>Equity Investment</i> shall consist of:<ol style="list-style-type: none">(i) the increase in <i>Retained Earnings</i> (excluding the after-tax value to an applicant of any grants and other donated assets) that has occurred over the applicant's most recent fiscal year or(ii) the annual average of such increases that have occurred over the applicant's three most recent fiscal years.(2) In the case of a non-profit applicant (other than a credit union), <i>Retained Earnings</i> that can be used for <i>Matching Funds</i> purposes for a grant shall consist of:<ol style="list-style-type: none">(i) the increase in an applicant's <i>Net Assets</i> (excluding the amount of any grants and value of other donated assets) that has occurred over the applicant's most recent fiscal year; or(ii) the annual average of such increases that has occurred over the applicant's three most recent fiscal years.

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- (3) In the case of a credit union applicant, *Retained Earnings* that may be used for *Matching Funds* purposes for a grant shall consist of:
- (i) the increase in *Net Capital* that has occurred over the applicant's most recent fiscal year. *Net Capital* shall be comprised of "Regular Reserves", "Other Reserves" (excluding reserves specifically dedicated for losses), and "Undivided Earnings" as such terms are used in the National Credit Union Administration's accounting manual.
 - (ii) the annual average of such increases that have occurred over the applicant's three most recent fiscal years; or
 - (iii) the entire *Net Capital* that has been accumulated since the inception of the applicant. If the applicant chooses this option, it must increase its *Total Member* and/or *Non-Member Shares* by an amount that is at least equal to four times the amount of *Net Capital* that is committed as *Matching Funds*. For example, if the applicant matches a \$100,000 grant with \$100,000 in *Retained Earnings* under this option, it must raise *Total Member/Non-Member Shares* by \$400,000 in order to receive a disbursement for the award. This increase will be achieved within 24 months of September 30 of the calendar year in which the applicant is selected to receive an award. The baseline level of *Total Member/Non-Member* shares will be measured as of September 30 of the calendar year in which the applicant is selected to receive an award.

Secondary Capital	<i>Secondary Capital</i> is monies committed to an uninsured account with a <i>Low-Income Designated Credit Union</i> for a minimum of five years. Funds in the <i>Secondary Capital</i> account (including both principal and interest earned) must be available to cover operating losses realized by such credit union (i.e. losses that exceed its net available reserves and undivided earnings). See 12 C.F.R. § 701.34 for more information.
Self-Sufficiency Ratio	<i>Total Earned Income</i> divided by <i>Total Expenses</i> . This ratio measures the extent to which an organization is covering its annual expenses through internally generated sources (e.g., interest income, fees)— or <i>Total Earned Income</i> — rather than grants or other contributions.
Start-Up Organization	An entity that has been in operation, incurring operating expenses, for two years or less, counting from the date of publication of the applicable NOFA in the <u>Federal Register</u> .
Subsidiary	Any company which is owned or controlled directly or indirectly by another company and includes any service corporation owned in whole or part by an <i>Insured Depository Institution</i> or any <i>Subsidiary</i> of such a service corporation, except as provided in 12 CFR §1805.200(b)(4).
Targeted Population	Individuals, or an identifiable group of individuals, who are <i>Low-Income</i> people (e.g., a <i>Low-Income Targeted Population</i>) or lack adequate access to loans or <i>Equity Investments</i> in the applicant's service area (an <i>Other Targeted Population</i>). The members of a <i>Targeted Population</i> must reside within the boundaries of the <i>United States</i> .
Target Market	An <i>Investment Area(s)</i> and/or a <i>Targeted Population(s)</i> .

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Tier 1 Leverage Capital Ratio	Tier 1 capital divided by adjusted average assets. <i>Tier 1 Leverage Capital Ratio</i> is defined as the sum of common equity, non-cumulative perpetual preferred stock and related surplus and minority interest in unconsolidated subsidiaries minus ineligible deferred tax assets and ineligible intangible assets. Adjusted average assets is defined as year-to-date average of the average assets reported in Schedule RC-K of the Report of Condition, adjusted for 1) ineligible intangible assets used in Tier 1 capital, and 2) unrealized loss on marketable equity securities. This ratio serves as an indicator of the underlying financial strength of a bank or thrift and whether it has an equity cushion sufficient to cover unexpected losses. Banks and thrifts must maintain a minimum <i>Tier 1 Leverage Capital Ratio</i> established by its appropriate Federal Banking Agency.
Total Adjusted Notes Payable	<i>Total Adjusted Notes Payable</i> is comprised of the total dollar amount of an organization's notes payable that may be used to support lending or <i>Equity Investment</i> activities. <i>Total Adjusted Notes Payable</i> is calculated by deducting from total notes payable, all notes payable that are specifically used for non-financing activities (e.g. if an organization has an outstanding mortgage on its office building, the outstanding principal should be deducted from total notes payable).
Total Assets	The sum of all assets of the organization.
Total Commitments	The total dollar amount of loan or <i>Equity Investment</i> commitments made by a CDFI to borrowers or investees that have not yet been disbursed, but for which the CDFI has reserved cash, cash equivalents, or other assets to fund at a later date (e.g., a loan that is closed but not yet disbursed; a loan that has been provisionally approved but will not be closed or disbursed until a borrower meets certain terms and conditions; a loan that has been approved by a loan committee but not yet closed).
Total Financing Capital	<i>Total Financing Capital</i> is an organization's total assets that are either being used for lending or <i>Equity Investments</i> or are available for such use. <i>Total Financing Capital</i> is calculated by taking the sum of <i>Total Adjusted Notes Payable</i> and <i>Total Equity Capital Available for Financing</i> . <i>Total Financing Capital</i> represents the total dollar amount of debt and equity financing to support lending or <i>Equity Investment</i> activities.
Total Current Assets	The total dollar amount of assets expected to be converted to cash or cash equivalents within the next 12 months.
Total Current Liabilities	The total dollar amount of liabilities that are due to be paid within the next 12 months.
Total Deposits	The total dollar amount of deposit liability accounts held by a bank or thrift that is a Federal Deposit Insurance Corporation insured bank or thrift.
Total Earned Income	<i>Total Earned Income</i> is the sum of interest income, loan fees and other program income, excluding all grants and contributions.
Total Equity	The sum of common stock, paid in capital and <i>Retained Earnings</i> (non-regulated for-profits, banks and thrifts). <i>Total Equity</i> is also commonly known as <i>Net Worth</i> .

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Total Equity Capital Available for Financing	<i>Total Equity Capital Available for Financing</i> is comprised of a non-profit organization's <i>Net Assets</i> that are permanently or temporarily restricted for lending or <i>Equity Investment</i> activities, and <i>Net Assets</i> that are unrestricted, that may be used, or are being used (e.g., loans receivable) to support lending or <i>Equity Investment</i> activities. If an organization owns its office building and equipment or has other non-financing assets these assets should not be included in <i>Total Equity Capital Available for Financing</i> . <i>Total Equity Capital Available for Financing</i> shall exclude all sources of debt capital.
Total Expenses	Total pre-tax expenses incurred during an annual period.
Total Liabilities	The sum of all liabilities of the organization.
Total Loans	The aggregate dollar amount of all loans outstanding held by a bank or thrift without giving effect to any allowance for the collectability thereof (i.e. before <i>Loan Loss Reserves</i> are calculated). <i>Total Loans</i> may also be referred to as <i>Gross Loans Receivable</i> or <i>Total Outstanding Loan Portfolio</i> .
Total Member Shares	The total dollar amount of member share accounts deposited in an organization that is an <i>Insured Credit Union</i> , as defined by the National Credit Union Administration.
Total Non-Member Shares	The total dollar amount of non-member share accounts deposited in an organization that is an <i>Insured Credit Union</i> , as defined by the National Credit Union Administration. Non-member shares are those deposits made into an <i>Insured Credit Union</i> by a depositor who is not a member nor eligible to be a member. A deposit may be in the form of a share, share certificate or share draft account.
Total Off-Balance Sheet Resources	Total dollar amount of loan or other financial resources committed by third party funders to support an organization's lending or <i>Equity Investment</i> activities (e.g., undrawn lines of credit), which are available to, but which have not been drawn upon or otherwise utilized by such organization. This measure excludes all grants or contributions committed by a third party funder to a non-profit organization, but not yet disbursed.
Total Outstanding Equity Investment Portfolio	The total dollar amount of <i>Equity Investments</i> held by an organization in portfolio companies in which it owns stock or other forms of ownership interest. <i>Total Outstanding Equity Investment Portfolio</i> should reflect the valuation of the organization's interests after making adjustments for any investment gains or losses.
Total Outstanding Loan Portfolio	The total dollar amount of <i>Gross Loans Receivable</i> (or <i>Total Loans</i> in the case of banks or thrifts) as reported in an organization's statement of financial condition or balance sheet. <i>Gross Loans Receivable</i> are the principal amount of loans receivable held by an organization that represents the amount still owed the organization by its borrowers <u>without</u> giving effect to any allowance for the collectability thereof (i.e. before loan loss reserves are calculated). In the case of an <i>Insured Credit Union</i> , <i>Total Outstanding Loan Portfolio</i> has the same meaning as the dollar amount of Total Other Loans as reported in the National Credit Union Administration Form 5300.
Total Revenue	The sum of all revenue, including earned income, grants and contributions.

Community Development Financial Institutions Fund

Appendix

United States	The 50 states, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territories of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands.
Venture Capital Fund	An organization that invests funds in businesses, typically in the form of either <i>Equity Investments</i> or subordinated debt with equity features such as a revenue participation or warrants, and generally seeks to participate in the upside returns of such equity investments or equity features in an effort to at least partially offset the risk of investments.
